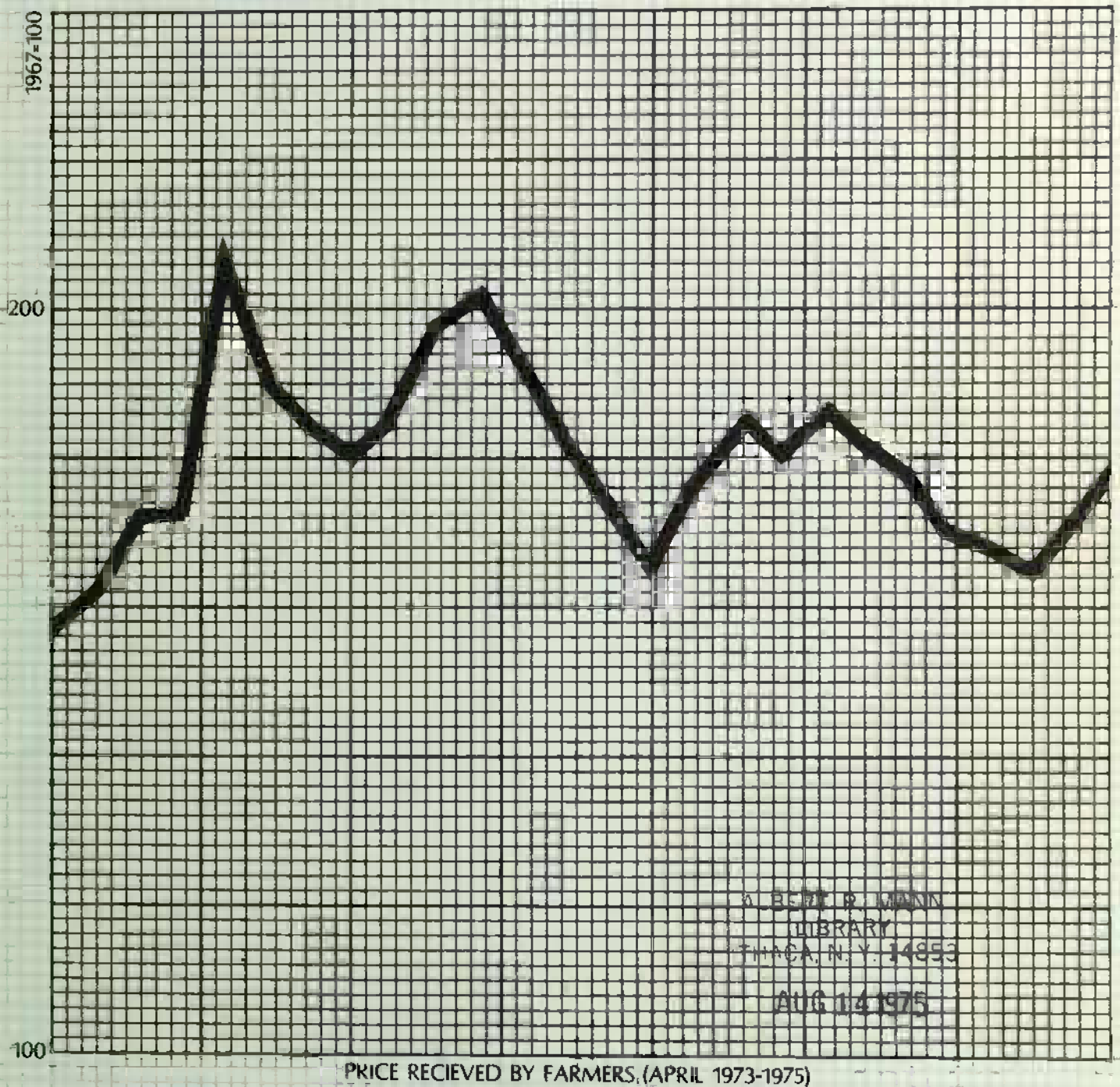


AGRICULTURAL OUTLOOK

UNITED STATES DEPARTMENT OF AGRICULTURE • ECONOMIC RESEARCH SERVICE • AO-1



AGRICULTURAL OUTLOOK

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The *Agricultural Outlook* has been designed to
provide a comprehensive monthly analyses of the
factors which affect agricultural developments. The
report will carry aggregate analyses for the general and
agricultural economies and will digest and update
major commodity and foreign trade developments.
However, an appraisal of the outlook for U.S. agricul-
ture requires a comprehensive evaluation of the
entire food and fiber system and the foreign and
domestic consumers of the output of the system.
Events of the past few years have led to an increasing
interdependence among the sectors within the sys-
tem. This report will attempt to highlight the major
interrelated developments in farming, input industries
and product marketing and their impact upon U.S.
agriculture and the consumer.

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AGRICULTURAL OUTLOOK

With crop plantings either nearing completion or well ahead of normal, concern in the agricultural sector turns toward domestic and world growing and harvesting conditions. Weather will be particularly critical for the major grains since 1975 production will be virtually the complete supply for 1975/76. Continued favorable domestic and foreign crop developments will put downward pressure on prices in spite of the tight supplies of old grain. Domestic users will not want to carry large inventories of grain in view of the outlook for large 1975 crops and lower prices, and will buy only for immediate needs. Foreign buyers may limit purchases as long as crop prospects continue favorable.

While prices for the major grains and soybeans have declined sharply since early this year, livestock prices have registered sharp gains in recent months. With green pastures relieving some of the pressure to market nonfed cattle, total cattle slaughter has declined from winter levels. The slower rate of slaughter combined with the lowest fed beef supplies in 10 years this spring has resulted in sharp price increases for Choice steers. In mid-June, Choice steers were over \$50 per 100 pounds, up sharply from around \$35 in mid-March. Continuing small pork supplies and increased purchasing power for the consumer also contributed to the price rise. Although milk prices have been declining seasonally, prices of most other livestock products rose.

However, even with favorable weather, grass could become short by July or August in many feeder cattle producing areas, prompting movement of nonfed cattle to slaughter or into feedlots. Cattle slaughter could grow to record proportions later in the year. Although the increased cattle slaughter will place downward pressure on cattle prices, low slaughter weights, very small pork supplies and fewer broilers in the market will tend to cushion the price declines. Improved feeding margins this spring have resulted in some increased movement of feeder cattle into feedlots, but no big surge is likely prior to further developments in this year's grain crop.

World crop prospects currently appear favorable—and as of early June it seemed likely 1975 world food production would top the below-trend 1974 level. In the USSR, however, the weather has been mostly warm and dry in many important agricultural areas and some shortfall from planned grain production is expected.

First quarter farm income estimates and prospects for the rest of 1975 point to a decline in cash receipts and realized net income from farming. Net farm income realized by farmers in January-March 1975 was estimated at a \$21½ billion seasonally adjusted annual rate. This compares with

\$26.4 billion in October-December 1974, and \$32.9 billion in January-March 1974.

Assuming high yields for 1975 crops compared with the drought plagued 1974 output, bumper crops would lead to significant declines in crop prices and receipts in the last half of the year. With a sharp drop in crop receipts, little change in livestock receipts and production expenses near 1974 levels, farmers' net income would recede to around \$20 billion.

Although supplies of most inputs will remain somewhat tight and prices are likely to continue rising throughout 1975, no major shortages have occurred or are likely to occur in 1975. Low beginning inventories of pesticides have been offset by sharp production increases and supplies appear nearly adequate. With high fertilizer prices and potentially lower crop prices this season, farmers in most parts of the country are able to obtain all the nitrogen, phosphate, and potash they are willing to buy. Farm machinery stocks are building and may return to normal by yearend. Farm real estate values will also hinge in part on crop developments in 1975. Bumper crops and low prices could bring about the first decline in values since the tight credit market of 1970. Moderate price declines would merely slow the rate of increase in real estate values.

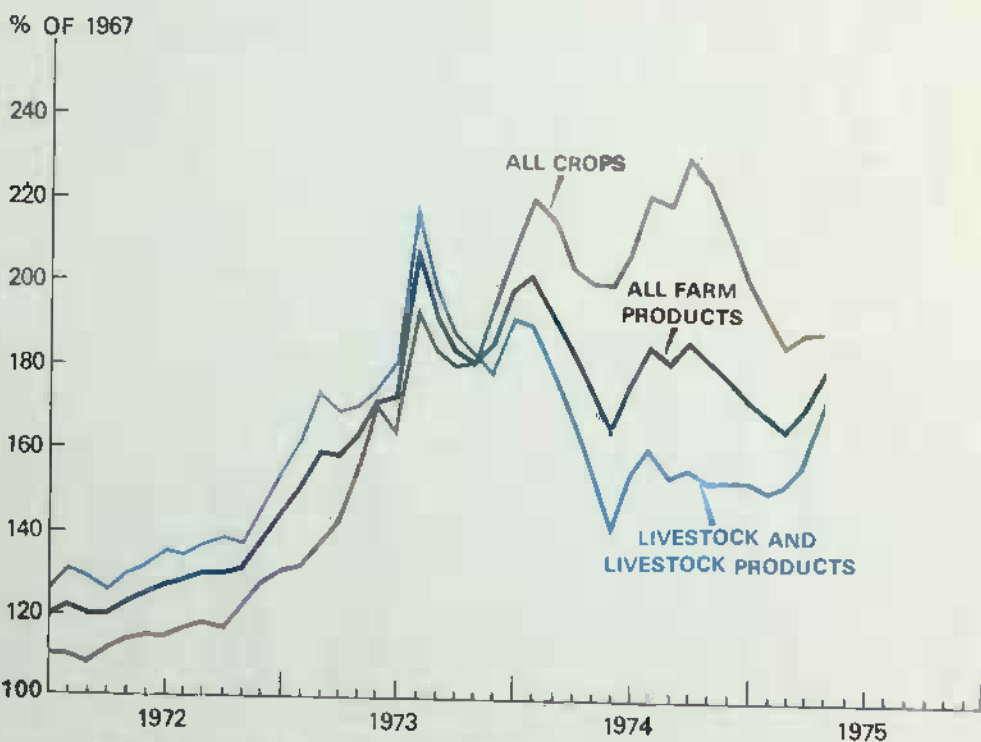
Retail food prices this summer will depend heavily on weather and 1975 crop

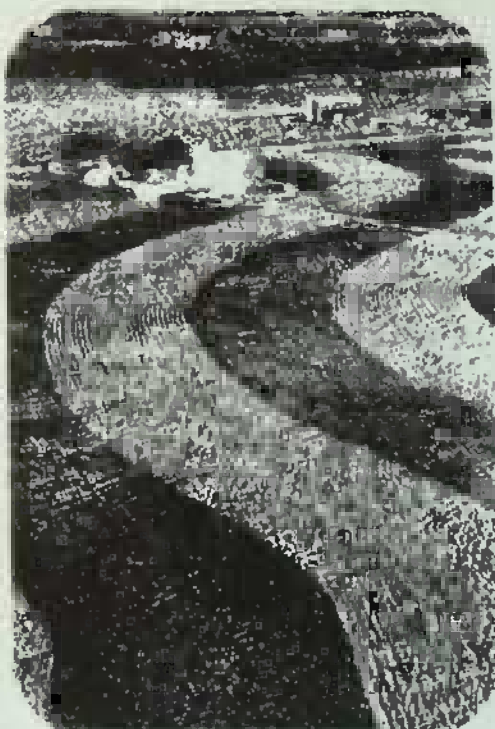
prospects in this country and abroad. If the feed crop looks good and large numbers of cattle are placed on feed, lower cattle marketings for slaughter could contribute to higher food prices. However, this could set the stage for some declines in food prices during the fourth quarter of 1975 and relatively stable prices during the first half of next year. Under these conditions, food prices for all of 1975 would average 6-8 percent above a year earlier, well below the increase of over 14 percent for each of the 2 previous years. Unfavorable crop developments this year could lift food prices 8-10 percent above last year with further increases likely in 1976.

After decreasing this spring, the farm-retail spread, an estimate of the cost of marketing farm foods, is expected to increase this summer. For the year, the farm-retail spread for farm foods is expected to average 10 percent wider than in 1974.

A gradual upturn in economic activity is likely in the second half of 1975, despite the possibility of additional energy difficulties and the lack of consensus on a national energy policy. The likelihood of several more months of high unemployment continues to be a major negative feature of the economic outlook. Even in the absence of any new energy problems, the Nation's unemployment rate probably will be averaging near 9 percent by the end of the year.

FARMERS' PRICES LEVEL OFF FOR CROPS, RISE FOR LIVESTOCK





FARM ECONOMY

First quarter farm income estimates and prospects for the rest of 1975 point to a decline in cash receipts and realized net income from farming. Net farm income realized by farmers in January-March 1975 was estimated at a \$21½ billion seasonally adjusted annual rate. This compares with \$26.4 billion in October-December 1974, and a \$32.9 billion annual rate in January-March 1974.

A downturn in gross and net farm income is indicated for this year. Assuming favorable yields for 1975 crops, a good possibility based on June 1 crop conditions, net income for the entire year could fall to around \$20 billion. Bumper crops, compared with the drought-plagued 1974 output, would lead to significant declines in crop prices and receipts. Livestock marketings, with ample feed from a large 1975 crop, could be slowed temporarily in favor of feedlot placements as feed costs eased. Thus, with a sharp drop in crop receipts and little change in livestock receipts, farmers' gross income would recede from the record level of 1974.

Production Expenses to Rise More Slowly

Under the above conditions, production expenses would show very little increase in 1975. If a large feed grain crop is harvested, feed costs would decline, reflecting lower prices later this year, although use would rise. Fertilizer prices are beginning to show some signs of easing, and there is some evidence that use may have been cut back because of prevailing high prices. Outlays for items of nonfarm origin are rising, but wholesale price indices are pointing to some easing of inflationary pressures in the nonfarm sector.

A repeat of the dismal 1974 crop conditions or a situation with low crop yields would also reduce realized net farm income

in 1975. However, the income situation would be higher than with bumper crops, unless demand conditions change. Under these conditions, crop prices would stay high and feedstuffs would be priced out of the market for many livestock producers. As a result, the livestock inventory liquidation would accelerate with continued low use of feed and higher slaughter rates for nonfed cattle. Production costs would be higher if crop yields are below average or match those of 1974, as the important feed bill reflects high corn, sorghum, hay, and soybean prices.

Farm Prices Turning Up

Farm prices in May 1975 increased 5 percent from April levels, the second upturn in this key indicator following 5 months of decline. The May 1975 average was 2 percent above a year earlier.

Prices received by farmers, change from a year earlier

Month	All crops	Livestock and products
	Percent	Percent
May 1974	29.0	-8.2
June	17.0	-18.4
July	26.2	-14.4
August	14.0	-26.1
September	19.7	-21.7
October	27.8	-17.0
November	24.3	-16.4
December	9.7	-14.5
January 1975	-3.4	-20.3
February	-12.7	-20.5
March	-14.0	-15.1
April	-7.4	-7.1
May	-5.5	9.6

Farm prices in the first quarter of this year declined 7 percent from the fourth

quarter 1974 level. Crop prices were down around 13 percent in the face of tight supplies. Livestock product prices fell 2 percent from the previous quarter. In contrast, prices paid by farmers for production items, interest, taxes, and wage rates averaged about the same in early 1975 as in late 1974.

Prices paid by farmers for production goods and services increased by 1 percent last month. However, this index of farmers' cost was some 11 percent higher than in May 1974.

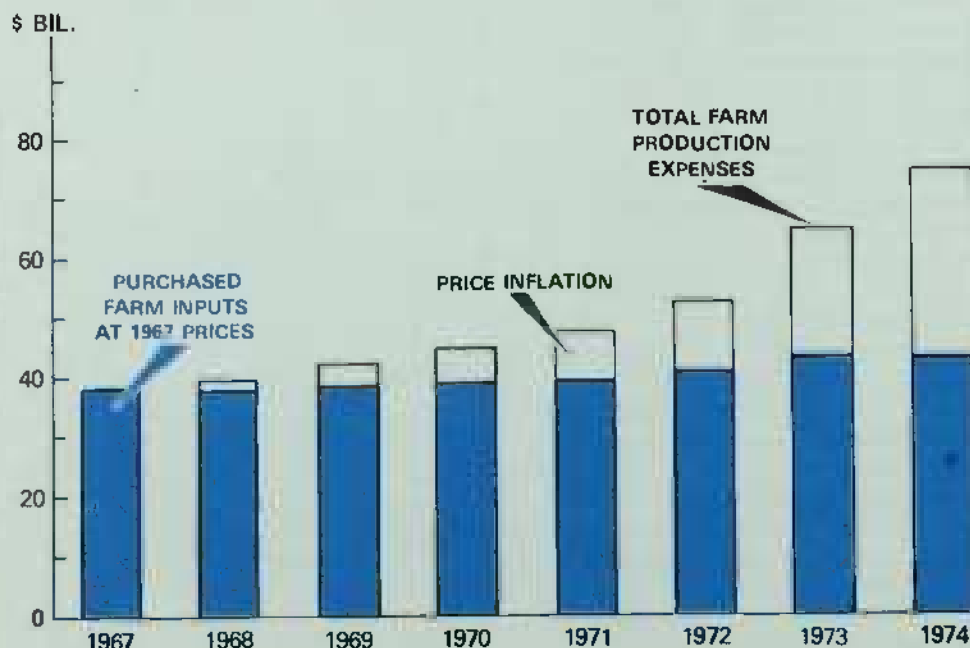
Farm product prices averaged 10 percent lower for the first 5 months of this year versus the same period in 1974. On the other hand, the index of prices paid for production items, interest, taxes, and farm wages was 11 percent higher than during January-May 1974. The outlook for all of 1975 points to farm prices averaging below 1974 under bumper crop conditions. Should crops turn out badly, prices likely would hold up well and could average about the same as in 1974. Input prices most likely will average higher this year than last. The extent of the difference in unit costs for 1975 over 1974 will be tied closely to feed supplies and any easing in inflationary pressures in the general economy.

Most of the softening in farm income has probably taken place.

1973 Act Remains in Effect

The increased production costs in 1973 and 1974 combined with declining commodity prices, stimulated interest in boosting the target prices and loan rates specified in the Agriculture and Consumer Protection Act of 1973. Numerous bills were introduced in the 94th Congress early in 1975. The House of

INFLATION PUSHES FARM PRODUCTION EXPENDITURES



Representatives passed an emergency 1-year bill (H. R. 4296) that would have raised target prices and loan rates, as well as specified a loan rate for soybeans. The Senate added amendments which were largely stripped from the bill in conference after passage in the Senate. President Ford's veto of the bill was sustained in the House of Representatives, leaving the Agriculture and Consumer Protection Act of 1973 as the current legislation on government price supports and loans for farm products.

Commodity Program Review

Wheat allotments, at a level of 55 million acres in 1974 and 53.5 million for 1975, were raised to 61.6 million acres for 1976. Feed grain and cotton allotments for 1975 are unchanged from 1974 levels of 89 and 11 million acres, respectively. Producer flexibility continues in substituting feed grains, wheat, and other crops for allotted crops, while protecting allotment history. Allotments are used in calculating deficiency payments to producers if market prices slip below target price levels. No deficiency payments were required for 1974 crops. Allotments for wheat, feed grains, and cotton do not limit the acreage of these crops that farmers can plant. With market prices running strong relative to loan rates through 1974, the loan rates for soybeans, flaxseed, and dry edible beans have been discontinued for 1975. Although changes have been proposed, the programs for rice, peanuts, and Extra Long Staple cotton (including marketing quotas and price supports) were extended in 1975. The 1975 rice allotment is set at about 1.8 million acres, peanuts 1.6 million, and ELS 91,000 acres.

A sugar program, which had been in effect since 1934 with some modification, was considered by Congress in June 1974, but the legislation was allowed to expire with the marketing of the 1974 crop. With the loss of quota advantages, a number of sugar exporters had less incentive to maintain exports to the United States through competitive pricing. World prices of raw sugar rose rapidly, reaching nearly 65 cents per pound in November 1974, but by mid-May had dropped back into the low teens. On November 18, 1974, the President announced an overall global import quota of 7 million tons effective in 1975. This total is larger than the sum of individual country quotas previously in effect. Without quotas, tariffs for imported raw sugar (96%) would have increased from 0.625 cents to 1.875 cents per pound.

Price supports for milk were raised from \$6.57 to \$7.24 per hundredweight as of January 4 in order to maintain milk prices at 80 percent of parity. Although the announced price remained at \$7.24 per 100 pounds, purchase prices for butter and cheese were raised April 1, 1975, to give greater assurance that the support price for manufacturing milk would be maintained.



COMMODITIES

As of early June, planting of most major crops was in the windup stage and crop progress was well ahead of normal. As of early June, plantings in the major producing areas were 96 percent complete for corn, 90 percent for spring wheat (other than durum), 83 percent for cotton, 79 percent for soybeans, and 77 percent for sorghum. Plantings were well ahead of a year ago except for cotton. Pasture and range conditions were improving—and cattle on pasture were making good gains. However, no surge in cattle feeding is likely prior to further developments in this year's grain crop.

Corn Crop Development Favorable

Because of good progress in planting, this year's corn crop will be less vulnerable to early frosts which last year contributed to a generally lower quality crop and in addition may have cost farmers and the Nation 400 to 500 million bushels of corn.

USDA projects that with normal weather this year's national corn yield will fall between 88 and 98 bushels per acre. Given the March 1 planting intentions of farmers and using a 92-bushel yield, the 1975 corn crop would be around 6 billion bushels. Last year's yield averaged 71 bushels per harvested acre; 1973's was 91 bushels; 1972's a record 97 bushels.

The U.S. feed market still remains potentially strong in light of current livestock numbers. Intentions of hog farmers to cut production 15 to 20 percent this year remains a major deterrent to increased feeding in October 1975/September 1976. USDA projections of grain and livestock prices this fall suggest that domestic feed demand in 1975/76 may show a moderate increase over 1974/75.

Corn prices will average record high for

the 1974/75 marketing year, but as predicted last summer and fall, they have not soared to astronomical heights. What the domestic commercial feeding industry could afford to pay for feed acted as a price ceiling. From now until harvest, weather will dominate the market, since 1975 production will be virtually the complete supply for 1975/76. Good crop weather will tend toward continued easing of prices. Despite the fact that supplies of old grain are getting tighter, domestic feeders will not want to carry over large inventories of grain in view of the outlook for large 1975 crops and lower prices, and will buy only for their immediate needs. Importers also will likely limit market participation as long as crop prospects continue favorable. Last year, when crop prospects began to deteriorate, importers booked heavily. On the other side, holders of grain may be more willing to sell instead of being faced with even lower prices at harvest.

Wheat Prospects Continue Bright

The recent winter wheat crop estimate was a record 1,619 million bushels, 16 percent above last year's record crop. Weather in the Northern Plains has improved and spring wheat plantings have proceeded at a rapid pace. If farmers managed to seed the 17.7 million acres intended and yields improve from last year's weather-racked levels, the spring wheat crop should be well above last year's 402 million bushels. A record 1975 wheat crop of around 2.1 billion bushels now seems quite possible. This means 1975/76 wheat supplies will be substantially above a year ago and possibly the largest since the early 1960's. One important difference between the 1975/76 situation and that of the early 1960's is that this year's big supplies are based largely on the current crop; in the early 1960's, stocks were actually larger than the crop.

The buildup in supplies will be followed by heavier disappearance in 1975/76. The stage is set for a sharp expansion in wheat feeding, if cattle feeders shift gears. Large wheat supplies and the likelihood that harvesttime wheat prices may be competitive with feed grains could swell wheat feeding. If world wheat demand continues strong in 1975/76, U.S. wheat exports should exceed 1.0 billion bushels for the fourth consecutive year. The fundamentals for growth in world demand continue and the largest growth markets are in areas that produce little wheat. Thus, signs seem to point to another strong export year.

Even though total disappearance will be up substantially, subtracting it from a 2.1-billion-bushel crop would result in a sizable addition to wheat stocks by the summer of 1976. This would likely result in wheat prices at the farm averaging well below the \$4.04 per bushel of 1974/75.

A number of factors have contributed to the slackening in year-end shipments and the resulting downward adjustment in 1974/75

estimated exports to 1,050 million bushels. The delay in the 1975 wheat harvest has limited new crop availability for export and left many ships waiting in the harbor for grain cargoes during June. Farmers' reluctance to sell the last of the 1974 crop at current low prices, combined with the buyers' reluctance to bid prices up to attract it out of the bins, have also slowed exports.

But despite this year-end lag in exports, total wheat disappearance in 1974/75 of nearly 1.8 million bushels was the third largest on record. Use did, however, fall slightly below the 1974 record wheat crop, permitting modest addition to wheat stocks during the 1974/75 marketing year.

Soybean Use Down Sharply

Declining demand for soybean oil and meal and competition from increasing lower priced foreign supplies are curtailing soybean use this season. Total disappearance is expected to drop to about 1.18 billion bushels, about 18 percent below last year and somewhat below the 1974 production. This would be the lowest since 1968/69, when disappearance totaled 0.9 billion bushels. Both domestic crushings and exports are down sharply from the previous year. As a result, carryover stocks next September will increase further from the 171 million bushels of last September, possibly to around 225 million bushels. This would be one of the largest ever, and compares with the record carryover

of 327 million bushels on September 1, 1969.

Soybean crushings are expected to total 700 million bushels, about 120 million below last year. Declining use of soybean oil, due mainly to the depressed economy and larger imports of lower priced palm oil, as well as sluggish soybean meal usage and poor processing margins, are reducing crushings.

Soybean exports are estimated at 400 million bushels, down from the record 539 million of last season. In addition to reduced foreign demand for soybean oil and meal, U.S. soybeans are encountering stiff competition from Brazilian soybeans. The 1975 Brazilian soybean crop is estimated at 9.6 million metric tons, about 350 million bushels, nearly 30 percent above the 1974 crop. A large part of this production is expected to enter export channels. Other commodities now increasing and providing more competition include Peruvian fishmeal, African peanuts, Philippine copra, and Malaysian palm oil.

Soybean prices have drifted sharply downward since last fall, reflecting the decreased usage. Farm prices dropped from \$8.17 per bushel last October to \$5 in May. So far this season they averaged \$6.43, compared with \$5.61 for September-May of the previous season. Farmers continue to hold a larger than normal part of the crop. However, with demand expected to remain sluggish over the balance of the season, prices likely will continue at these lower levels. They are now being influenced by new crop developments.

For the entire season they are expected to average around \$6 per bushel (weighted by marketings), compared with the \$5.68 for the 1973 crop.

A major factor behind the decline in soybean use is the sharp drop in the domestic disappearance of edible fats and oils. During October-April, disappearance was down about 0.7 billion pounds below a year ago.

Vegetable oils from domestically produced commodities were down over 1 billion pounds. Soybean oil use alone was down about 0.7 billion pounds. However, these were partially offset by increased use of domestic animal fats which were up around 0.1 billion pounds and imported oils (mainly palm oil) up about 0.2 billion pounds. Soybean oil accounts for about three-fifths of total food fats and oils domestic disappearance. For the entire season, soybean oil use is estimated at 6.4 billion pounds, about 0.8 million pounds below last year.

The decline in the use of food fats and oils is primarily a result of the recession and its adverse effect upon employment and consumer spending. In addition, inflation and the high prices for food fats over the past year or so forced consumers to curtail purchases where possible. Now that prices are weaker, both consumers and merchants probably are reducing inventories in anticipation of buying later at lower prices.

For the entire marketing year, per capita disappearance of edible food fat products may be down around 5 pounds from the 53½ pounds of 1973/74.

Sluggish domestic use of soybean meal also is affecting the demand for soybeans. Domestic disappearance of soybean meal is estimated at 12.2 million tons, down sharply from the 13.8 million of last year. During October-April, use totaled 7.1 million tons, about 1 million below this same period a year ago. Because of unfavorable livestock and poultry profit margins, producers have cut back their use of soybean meal. Although profits in recent months have improved some for livestock, broiler, and egg producers, this has not yet been translated into any large increase in use of soybean meal. No significant increase in feeding is expected prior to the new crop harvest. Consequently, soybean meal use is expected to be down more than seasonally during May-September.

Improved Textile Outlook Benefiting Cotton

If general economic activity perks up as expected during the balance of this year and into 1976, currently sluggish retail textile sales should increase. In particular, lower inflation rates and the current tax cuts and rebates are expected to stimulate pentup consumer demand for textiles. Any increase in demand will be felt rather quickly at the mill level since curtailed production generally has dropped inventories to near normal levels. So some recovery in mill activity is likely by this fall.

Wheat Situation At a Glance

Wheat	Marketing year ¹		
	1973/74	1974/75 forecast	1975/76 projected
Million acres			
Acreage			
Set aside	7.4	0	0
Planted	59.0	71.2	73.2
Harvested	53.9	65.5	67.8
Yield per harvested acre (bushels)	31.7	27.4	30.5 - 31.5
Million bushels			
Beginning stocks	438	247	285
Production	1,705	1,793	2,069 - 2,139
Imports	4	2	1
Supply, total	2,147	2,042	2,355 - 2,425
Domestic	751	707	809 - 784
Exports	1,149	1,050	1,050 - 1,200
Disappearance, total	1,900	1,757	1,859 - 1,984
Ending stocks	247	285	496 - 441

¹ Beginning July 1.

Cotton disappearance during the 1975/76 marketing year should reflect gradually expanding textile activity, both here and abroad. Total cotton use may range between 10 and 11 million bales, up from an estimated 9.7 million this season. While domestic mill use may total 6.2 to 6.7 million bales, U.S. cotton exports could range from 3.8 to 4.3 million.

Acreage planted to the 1975 cotton crop is down sharply. Cotton producers indicated intentions on March 1 to plant 10 million acres this spring, compared with 13.7 million planted in 1974. Smaller planting intentions reflect lower cotton prices, increasing production costs, and resultant shifts to more attractively priced alternative crops such as soybeans and grain sorghum. Since early March, extremely wet weather in the Delta, coupled with some recent hail damage in Texas, have aggravated the situation. These developments further reduced and delayed cotton plantings, thus lowering yield prospects. However, rising cotton prices are reportedly elevating cotton acreage above earlier intentions in some areas, notably the Southwest.

In view of the sharp cut in acreage, 1975 cotton production will fall considerably short of last season's 11-1/2 million bales. But with larger stocks on hand this August, the 1975/76 supply should be adequate for anticipated domestic and export needs.

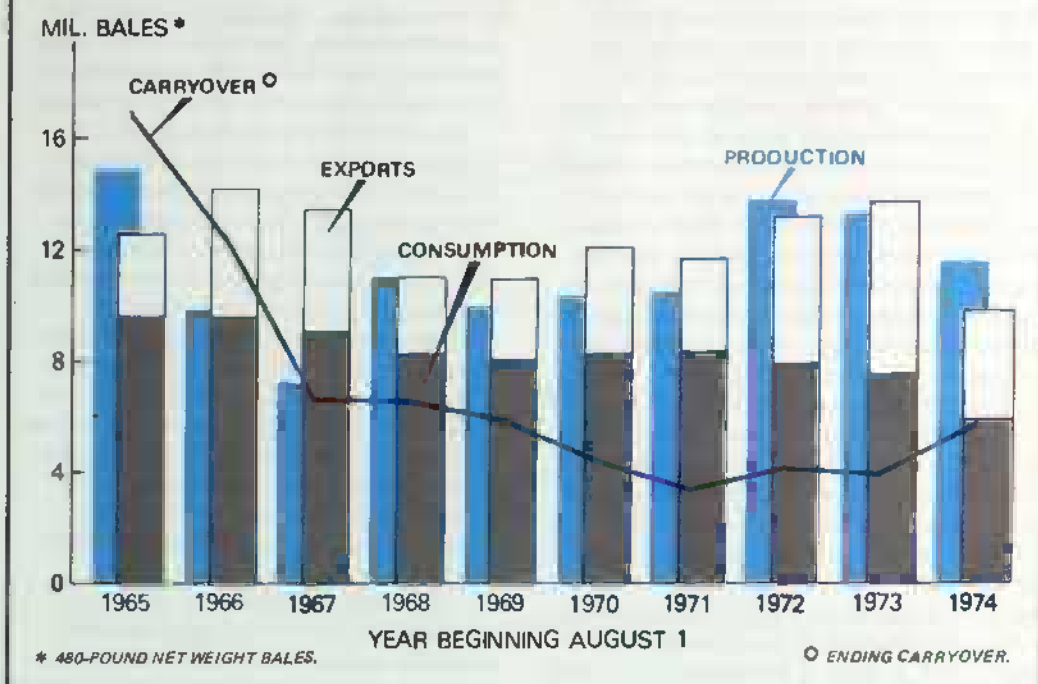
The 1974/75 marketing season has been marked by extremely weak demand for cotton. Not since the 1930's has U.S. mill use been as low as this year's estimated 5-3/4 million bales. And not since the 1890's has cotton disappearance been as low as this year's estimated 9.7 million bales. So with total cotton use about 1.8 million bales below the 1974 crop, stocks are increasing sharply from last August's 3.9 million. The 1974/75 ending carryover may total about 5-3/4 million bales.

Despite 1974's relatively low production—the crop harvested out at only 11-1/2 million bales—cotton prices trended down throughout the season as demand weakened. Prices received by farmers for the 1974 crop averaged 43 cents per pound to April 1, compared with 44.6 cents a year earlier. However, with current prices somewhat below the August-March average, the final season-average price may fall a little below 43 cents. For instance, spot market cotton prices now are several cents a pound below early-season levels. However, prices have strengthened slightly during recent months.

Consumption of cotton by U.S. mills has improved gradually after hitting a 40-year low in December. The daily rate of use averaged 20,697 bales in April, 21 percent above the December level. Further recovery is likely during the next several months as fiber demand moves up in response to a slowdown in the inflation rate and a rise in disposable income. Still, total use during 1974/75 is placed at only 5-3/4 million bales, down from 7-1/2 million last season.

Recent developments provide the basis for

CURRENT COTTON USE FAR SHORT OF 1974 CROP



a little more optimism for U.S. cotton exports during 1974/75. Exporters have sold about 1 million bales of U.S. cotton since early March, over 0.6 million of which are for delivery prior to August 1. In addition, substantial progress has been made recently in resolving the contractual difficulties surrounding outstanding export sales to several Far Eastern countries. With the help of additional CCC short-term commercial credit, these countries have agreed to take delivery on nearly 1 million bales of U.S. cotton purchased prior to August 1, 1974. However, most of this cotton probably will not be delivered until after August 1, 1975. We now expect about 0.8 million bales to be shipped during June and July, bringing total 1974/75 cotton exports to about 3.9 million, moderately above earlier expectations, but down sharply from 6.1 million last season.

Wool Production Continues Sliding

Despite considerably improved raw wool prices the past two seasons, shorn wool production in 1974 declined over 8 percent. Prospects are for even further declines in 1975 output. With approximately 9 percent fewer sheep to be shorn this year, domestic production likely will total 123-125 million pounds, grease basis.

Wool prices for the remainder of 1975 are expected to remain near current levels, depending upon the extent to which domestic exporters have covered advance sales and the level of improvement in domestic mill activity. Substantial price changes are unlikely as improvement in world textile activity is expected to be slow, and existing world wool stocks are considered adequate.

Farm prices for wool declined throughout the 1974 season, averaging 59.1 cents per pound, grease basis, as world textile mill activity remained extremely depressed. Falling farm prices continued into the early months of 1975, but as new clip supplies began to reach local markets, prices began to firm and turn up as export commitments were being covered. The average price received by farmers and ranchers during May was 47.6 cents per pound, grease basis, up 8-1/2 cents from April. Most wool is selling at a rapid pace now, with over 40 percent of the 1975 clip estimated already sold. Most purchases are for the export market.

During 1974 mill use was down over 32 percent for raw apparel wool, more than 55 percent for carpet wool, and fell 11 percent for manmade fibers on the woolen and worsted system. Mill use of raw apparel wool declined in the early months of 1975 by about 8 percent from a year ago. Prospects are for some improvement in raw wool consumption as the season progresses, especially in the last half of 1975 when textile activity is expected to show modest improvement.

World raw wool prices declined throughout 1974 as textile mill activity remained depressed. Currently, prices have increased in active trading in all primary markets, with Japan and Eastern Europe leading buyers. Prices of combing wools in Australia and New Zealand averaged U.S. \$1.44 per pound, clean basis, in April—up nearly 5 percent from last December. Global supplies should remain adequate during 1975/76 as production increased over 4 percent last year and any increases in mill consumption are expected to be moderate.

Fruit Supplies Up From Last Season

If present indications are realized, this summer's production of early harvested non-citrus fruit (excluding dried prunes) will be 5 percent above last season's utilized levels and nearly 13 percent higher than in 1973.

Supplies of freestone peaches will be moderately to substantially larger in most producing areas, except California which expects a 12-percent smaller crop. Larger crops are also indicated for West Coast Bartlett pears, apricots, strawberries, and Western cherries. Moderately smaller supplies are indicated for California clingstone peaches and nectarines, while California plums are substantially lower, than last year's record large crop.

Initial shipping point f.o.b. prices for 1975 crop fresh noncitrus fruit were mixed, opening near to slightly higher than last season's levels. Despite the substantially larger peach crop in Georgia this season, f.o.b. prices opened at about last year's high level for various varieties and grades. On the other hand, early plums shipped from California's Central San Joaquin Valley opened near last year's level, in spite of the substantially smaller crop. As supplies of fresh fruit increase in the weeks ahead, prices are expected to decline seasonally and are likely to average slightly below or near year-earlier levels.

Current stocks of most processed non-citrus fruit items are generally larger than those of the preceding 2 seasons. Larger stocks with near-normal pack prospects will result in adequate supplies for most items for the new season. Wholesale prices are not likely to change from current levels through the summer.

Turning to citrus, the June 1 forecast in-

dicated a record large 14.6 million-ton crop, one-tenth above last season. The increase is attributed to record orange and lemon crops. By June 1, larger quantities of oranges remained for harvest than a year earlier, while remaining quantities of both grapefruit and lemons were moderately less than a year ago.

On-tree returns to growers for all U.S. oranges have been above year-earlier levels since April, reflecting good demand for both fresh oranges and orange products. As remaining supplies of oranges decline seasonally, prices received by growers are expected to advance and hold above last summer.

In response to a smaller crop, grapefruit prices to growers have been substantially above last year's levels and will continue so through the remainder of the season. In contrast, grower returns for fresh and processed lemons have averaged considerably below year-earlier levels. Prices are expected to advance seasonally, but are likely to remain below a year ago.

Utilization of the 1974/75 citrus crop for processing so far this season has been above last season, due primarily to the increases in processing of oranges and lemons. Although current supplies of processed citrus products are ample, f.o.b. prices are generally above year-earlier levels. Movement of chilled and frozen citrus items is ahead of last year's pace, but movement of canned citrus products is lagging.

Processed Vegetable Use Down

Supplies of both canned and frozen vegetables now are larger than either of the 2 previous seasons when stocks were unusually low. Although total supplies of both canned and frozen products were larger to begin with

last fall, slackened demand, which was first noticed last December, has been mostly responsible for this poor showing. At first, the trade figured the reduced disappearance resulted from early over-buying of the 1974 pack on the part of distributors and consumers. However, the slow movement of canned and frozen vegetables persisted too long for this to have been the sole factor. As 1975 progressed, it became evident that some people were switching to less costly staples—dry beans, dry peas, and fresh potatoes, or at least were using fewer vegetables in their meal planning. As would be expected, frozen vegetable specialties were the hardest hit by the economizing.

With the 1974/75 market season for processed vegetables now drawing to a close, ordinarily one might expect to see "specials" on the store shelves, as canners or distributors attempt to move goods to make way for 1975 packs. But this year, canners and freezers may reckon that processing costs will again be high enough that the prospect of a larger carryover will pose no particular supply problem. As a result, wholesale and retail prices for most 1975 packs of processed vegetables are not likely to be at less than current levels. It would take a bumper crop this summer to push these prices down late in the year.

On the fresh vegetable side, fragmentary data at this time suggest smaller supplies of onions and celery this summer. Recent reports have indicated that onion growers will be reducing 1975 summer acreage of non-storage onions by 10 percent, and that celery acreage growing in five States on June 1 (mainly in California and Michigan) was a tenth less than a year earlier. Fresh vegetable prices received by growers thus far this year have been substantially higher than a year earlier. Some seasonal decline may show up in August and September when supplies from local sources are at their peak.

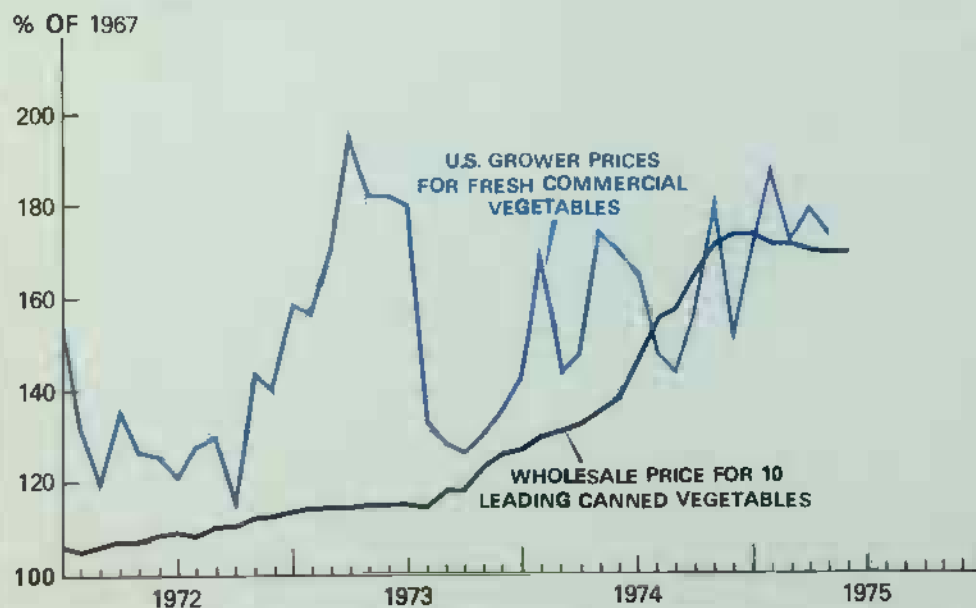
Potato Prices To Stay High

Potato prices have advanced sharply in recent weeks and prices likely will stay up through the summer. Prices are usually seasonally high during this period and coupled with a 27-percent smaller spring crop this year, supplies are expected to be limited. Also, if earlier planting intentions hold, summer potato acreage and production also may be moderately less this year. This is a normal grower response to the low prices for fresh potatoes which prevailed during most of the 1974/75 storage season.

Tobacco Supplies May Outpace Use

As of March 1, producers were planning on larger crops of cigarette tobaccos than last year. However, the shortfall in cigarette production this past marketing year means manufacturers' requirements for flue-cured tobacco from the auctions beginning in July may not be as large as originally anticipated. Consequently, prices received by growers for

PRICES DROPPING FOR FRESH AND CANNED VEGETABLES



this year's crop may stabilize near last year's record high.

Cigarettes moving into domestic distribution continued below a year earlier during January-March 1975. However, during April, domestic cigarette use was above both the April 1974 and the 1971-73 average. The increase may represent the end of inventory liquidation as domestic cigarette use July through April was up about 1-1/2 percent and cigarette exports were up 10 percent.

The inventory cutback by manufacturers and distributors will cut output in the year ending June 30 about 2 percent below the record high 652 billion cigarettes produced in fiscal 1974. If inventories are now in line with sales, production in the second half of 1975 should exceed monthly output for both 1974 and the 1971-73 average.

Record Cattle Slaughter, Lower Prices in the Offing

Although fed cattle slaughter for the remainder of 1975 will remain low by historical standards, fed beef production later this year could begin to pick up from recent low levels. Also, nonfed slaughter supplies are expected to increase substantially. After more than a year of depressed feeder cattle prices, cow culling later this summer and fall could be extensive. Even under optimum moisture conditions, grass could become short by July or August in many feeder cattle producing areas, prompting movement of nonfed cattle to slaughter.

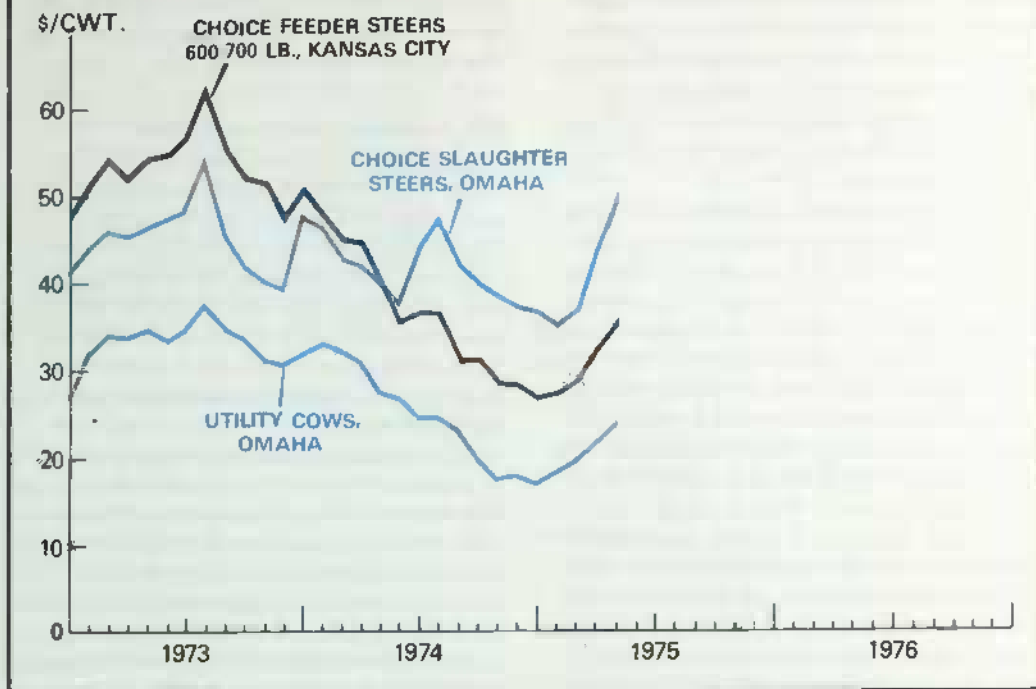
Assuming normal range and pasture conditions, cattle slaughter could grow to record proportions later this year, placing downward pressure on cattle prices. However, low average slaughter weights, very small pork supplies, and fewer broilers in the market will tend to cushion price declines. Fed cattle prices may fall from late June levels of over \$50 per 100 pounds to near \$40 by yearend if these nonfed cattle move to market as expected. Dry conditions could exaggerate the movement of nonfed cattle, pushing prices even lower. Grazing conditions through June have been favorable.

Sustained profitable returns to cattle feeders will be a prerequisite to any significant increase in demand for feeder cattle. Significantly improved feeding margins during the spring resulted in some increased movement of feeder cattle into feedlots, but no surge is likely prior to further developments in this year's grain crop. If the crop is big enough to produce a break in feed prices, demand for feeder cattle this fall could be substantial, supporting feeder cattle prices. Although feeder prices will tend to parallel the fed cattle market, the unusually wide margin between fed cattle and feeder cattle prices of the past year could narrow considerably this fall.

Hog Prices May Stay High

Pork supplies will continue restricted and hog prices relatively high through the next

CATTLE PRICES TURN UP



few months. Summer hog slaughter will come largely from the December 1974-February 1975 pig crop which largely reflects the full impact of the breeding stock liquidation which began last summer. In March, hog farmers in 14 States indicated they had reduced this pig crop by 20 percent. Similar reductions are likely for summer hog slaughter. The cattle market will have a strong bearing on hog prices this summer, but unless fed cattle prices decline much more than now seems likely, market hogs could remain near \$50 per 100 pounds in the Midwest throughout most of the third quarter. This would produce the highest quarterly average market hog price since the price control period during the summer of 1973.

Pork production will increase seasonally this fall from the lower summer level but this increase will be less than usual, keeping prices up. Fall hog slaughter likely will continue to about 20 percent below the year-earlier level. Lower fed cattle prices expected during the fall would be a price depressing factor in the hog market. Nevertheless, barrows and gilts at seven markets could average in the mid-\$40's, down marginally from the summer but well above a year ago.

Poultry Prices to Continue Strong

Broiler prices will continue strong in coming months as output remains below a year earlier. Reduced total meat supplies and above year-earlier prices for red meats will bolster broiler prices. Wholesale broiler prices are expected to average near 47 cents a pound (ready-to-cook) in the nine city markets this summer. The level of broiler prices in coming months will depend largely on red meat prices.

Broiler meat output during July-August likely will be up from the previous 2 months, but will still be 3 to 4 percent below the same months of 1974. With continued favorable development of the 1975 grain crops, producers will gradually expand output relative to a year ago and match last year's output by the fourth quarter. Weekly reports indicate output of broiler meat in federally inspected slaughter plants during May was down about 6 percent. Broiler chick placements for marketings during June and July are around 4 percent below the same months of 1974.

Profitability in the broiler industry has improved as broiler prices rose. Wholesale broiler prices in the nine-city markets rose during May and averaged 43 cents a pound, up 3 cents from the previous month and nearly 8 cents above a year ago. They have continued to strengthen and for the week of June 16 averaged 48 cents a pound, nearly 16 cents above the comparable week of 1974. Recent price rises largely resulted from the spring price gains for both cattle and hogs. Broiler feed prices in mid-May averaged \$161 a ton, down \$3 from April but \$10 above May 1974. The May broiler feed price ratio (pound of feed equal in value to 1 pound liveweight broiler) was 3.1. This compares with April's 2.9 and 2.7 a year earlier.

Turkey prices also will trend upward and average well above a year earlier, as a result of reduced turkey supplies and higher prices of other meats. Wholesale prices for 8-16 pound young hen turkeys in New York likely will average in the low to mid-50-cents-a-pound range during July-August. Total meat supplies below a year earlier will keep turkey prices strong and well above the prior year. Prices fell sharply in early 1975 in response

to a relatively large carryover of cold storage turkey stocks and sharply lower beef prices. However, turkey prices have risen since mid-March as cold storage stocks declined and beef prices gained. This pattern continued through April. Wholesale prices for young hen turkeys in early June averaged 53 cents a pound, up 3 cents from a month earlier and 15 cents above a year earlier.

Turkey meat supplies will be substantially below a year earlier because of reduced output and lower cold storage turkey stocks. Output of turkey meat will increase seasonally, but likely stay well below a year earlier through the summer. Poultry production for July-August marketing was down around 15 percent from the same months of 1974. The number of poult hatched in May was off 4 percent from a year ago and eggs in incubators on June 1 were down 6 percent. Weekly reports indicate turkey meat output in May was down nearly a fourth. Poultry production for turkeys to be marketed in June were down around 12 percent from a year ago. In addition to lower output, cold storage turkey stocks on June 1 were down 69 million pounds to 159 million pounds.

Egg production will decline seasonally in the summer but gain relative to 1974 levels. The hatch of egg-type chicks 5 to 6 months earlier indicates that fewer pullets will enter the laying flock this summer than a year ago. However, reduced culling of old hens and increased force moltings are expected to reduce the number of old layers taken out of the laying flocks.

Thus, layer numbers will probably stay below a year earlier this summer but the difference will tend to narrow. The increased force moltings and reduced culling may cause the rate of lay to drop below year-earlier levels and result in egg production gaining on 1974 at a slower rate than layer numbers.

Production was 4 percent below year-earlier levels during the first quarter of 1975. But a continued decline in layer numbers combined with a drop in the rate of lay below 1974 caused output to slide to 6 percent below in April-May.

Egg prices will advance in coming months and remain above year-earlier levels. Part of the expected increase will be the result of the normal pickup in demand for eggs after mid-year. Reduced egg supplies combined with higher prices for most high protein foods will add strength to egg prices in coming months. Wholesale prices for New York grade A large eggs are expected to average near 60 cents a dozen this summer. However, a pickup in the demand for egg products could boost egg prices above this level.

Egg production has been well below year-earlier levels this year, but egg prices have not strengthened accordingly. One of the main reasons for the lack of strength in shell egg prices has been the poor demand for egg products. New York grade A large egg prices dropped 13 cents a dozen to 47 cents just before and following Easter. Prices remained

near this level through mid-June before beginning a seasonal price increase. They remained fairly stable through mid-May before weakening to 48 cents a dozen. Prices have remained near this level since mid-May.

Milk Production Prospects Positive

Milk production may hold close to year-earlier levels in the next few months, but could make strong gains later in the year. Falling slaughter cow prices expected later on would likely discourage herd culling and limit the drop in milk cow numbers. Also, if large feed grain and soybean crops materialize and feed prices moderate, feeding rates could pick up, bringing more normal gains in output per cow.

Milk production in May dropped below year-earlier levels—by 0.5 percent—for the first time since May of last year. Although milk cow numbers were still declining by less than 1 percent from a year ago, the April to May decline was the largest month-to-month drop since January 1974. Milk output per cow in May was just barely above a year ago, the smallest gain since early 1974.

Rising slaughter cow prices, which reached \$25 per 100 pounds in May, along with poor pastures at the beginning of May in some areas, likely caused some pickup in culling rates last month. Although dairy ration prices have moderated in recent months, milk-feed price ratios are still below a year ago, discouraging any increase in grain and concentrate feeding.

Wholesale cheese prices strengthened in late May as large cheese stocks were worked down and sales expanded. Wholesale prices of other dairy products remain stable.

Prices farmers receive for milk are now declining seasonally and at \$7.99 per 100 pounds in May were about 3 percent below a year earlier. Farm milk prices will be rising seasonally after June and will be pushing above year-earlier levels this summer.

Dairy sales have started to pick up again, led by the recovery in fluid milk use and a comeback in American cheese sales. Butter sales remain strong, although drops in margarine prices may pull more consumers back to margarine. Nonfat dry milk sales are still slack with little improvement in sight.

Production of butter and American cheese continue to move into a better balance. Up 30 percent from a year ago earlier this year, butter production was running only slightly higher by early June. Declines in American cheese output have narrowed substantially.

Commercial stocks of most dairy products are now being worked down, but government holdings are rising, reflecting increased USDA purchases. American cheese stocks in commercial hands are holding steady at a time when seasonal increases are normal. Nonfat dry milk stocks continue large with USDA stocks rising to the highest level since the early 1960's. Increased quantities of CCC-owned nonfat dry milk have been programmed for donation under the Food for Peace Program.



INPUTS

In May, the farm production price index was up 1 percent from the previous month. Prices of most inputs except feed and feeder livestock will continue rising during the remainder of 1975. While supplies remain somewhat tight, no major shortages have occurred or are likely to occur in 1975.

Pesticides: Supply-Demand Balance Improving

With the production of pesticides up an estimated 10 percent from a year ago and overall demand relatively unchanged, supplies of most pesticides appear nearly adequate. However, low beginning inventories, shortages of some raw materials, and difficulties in scheduling distribution may continue causing spot shortages of some pesticides. Price rises are also steeper this year—with formulated pesticides reportedly costing 20 percent more, compared with increases of 10 to 15 percent last year.

Producers indicate that a number of factors are still limiting pesticide output in 1975. Raw material shortages continue as the leading constraint, although raw material and fuel prices, regulatory restrictions, fuel and container availability, and construction difficulties are also problems, but less so than last year.

Formulation problems for 1975 are considerably fewer than in 1974 with limited capacity relatively more of a problem than shortages of raw materials. Since many formulators are small operations with low margins and little reserve capital, they are quite concerned over the increasing costs of production.

Inventories of basic producers at the end of 1974 were down about 40 percent from 1973. Inventories at the end of 1974 were 8 percent of production, down from

14 percent in 1973. Inventories at the end of 1975 are expected to be only slightly greater than at the end of 1974.

Distributor inventories of pesticides were reduced by more than 50 percent in 1974.

On the demand side, likely cuts in pesticide use on cotton apparently will be largely offset by more intensive use, particularly of herbicides, on other crops. Consequently, as of mid-June, it looked as if overall domestic demand for pesticides would be about the same as in 1974.

Exports for 1975 are expected to be about the same as last year at slightly over 20 percent of production. Insecticides account for a major share of the foreign market. Imports account for less than 5 percent of the domestic pesticide supply and no appreciable change seems likely in the import share of the market this year.

Shifting to a slightly longer term outlook, prospects for 1976 indicate a further improvement in the pesticide supply situation. Substantial expansion of production capacity is currently planned or underway. Much of this should be onstream for 1976. Twenty-one of 29 firms surveyed recently are expanding or planning 49 capacity expansions, including 13 for fungicides, 18 for herbicides, 13 for insecticides, and five for other pesticides. In addition the raw material availability situation is expected to continue to improve.

Results of a survey of basic producers bear out the predicted improvement in the available supplies of pesticides for 1976. Of the 29 firms responding, over 50 percent indicated they expected to meet production goals for pesticides to be used in 1976. Another 15 percent did not expect to meet

all of their production needs. The remaining third were uncertain about meeting their needs. Those firms that did not expect to meet their production goals or were uncertain about meeting their production goals indicated that they would come closer than a year earlier.

Low inventory carryovers from the 1975 season would require a substantial increase in production in 1976 if producers and distributors are to rebuild inventories. A continuing demand increase particularly for herbicides is likely to raise demand in 1976 at about the same rate as in 1975.

Fertilizer Supplies More Ample

With high fertilizer prices and potentially lower crop prices this season, farmers in most parts of the country are able to obtain all nitrogen, phosphate, and potash they are willing to buy. Early scattered reports from the field indicate that most farmers were able to obtain at least as much fertilizer as they bought last year. In some instances they received even more. Things should be even better next year.

The biggest single question about fertilizer in the months ahead is one of price. In all likelihood, fertilizer prices during the rest of 1975 will remain about where they are. If anything, they may tend to soften where planting was delayed by unfavorable weather. In any event, prices may have reached their peak for this year and next.

When fertilizer prices were freed from price controls October 25, 1973, nitrogen fertilizer prices nearly doubled and phosphate prices skyrocketed. By April 15, 1974, prices of nitrogen materials, except ammonium nitrate, were double the levels of the year

before. By April 15, 1975, these same materials were up another third or more. For example, the farm price of ammonia rose 45 percent from \$183 to \$265 a ton during the year. The reported wholesale price of ammonia rose 67 percent from an average of \$120 to about \$200 a ton at the same time.

Phosphate prices, too, continued to advance after the original sharp surge in late 1973. For example, the prices paid by farmers for concentrated superphosphate rose from \$87.50 on April 15, 1973, to \$214 on April 1, 1975.

Potash prices increased the least, but still managed to rise from \$61.50 a ton in April 1973 to \$102 this April. The farm delivered price of potash may increase even more as potash producers attempt to pass new Saskatchewan taxes on to the ultimate users.

Nitrogen

Nitrogen fertilizer supplies this spring were up about 8 percent over last spring. Part of the increase came from relatively minor additions to present ammonia production capacity. However, beginning in May and through the rest of 1975, new or rebuilt plants capable of producing a million tons of ammonia a year are due to come on-stream. All told, ammonia output capacity may increase from 17.5 million tons at the start of 1975 to 18.8 million tons by the end of the year.

Historically, about three-fourths of all the ammonia produced in the United States is used to make fertilizer. However, the slowdown in other industrial activity may free up additional quantities of ammonia, urea, ammonium nitrate, or other nitrogen compounds for use in fertilizer.

The balance of trade in fertilizers also has shifted. For the first time since 1965/66, the United States is importing more nitrogen than it is exporting.

Phosphates

Phosphate fertilizers are more readily available than they have been for the past 2 years. Four new plants began production of wet process phosphoric acid (P_2O_5) in January. These new plants will increase annual U.S. capacity to produce phosphates by a fourth. By the end of the year, a fifth plant is scheduled to begin operation, boosting capacity to make phosphoric acid to 8.7 million tons. In the year that ended June 30, 1974, just over 5 million tons of P_2O_5 were used as fertilizer in the United States. During the same 12 months, net exports of P_2O_5 were 1.2 million tons. In the year ending June 30, 1975, net exports may be up slightly.

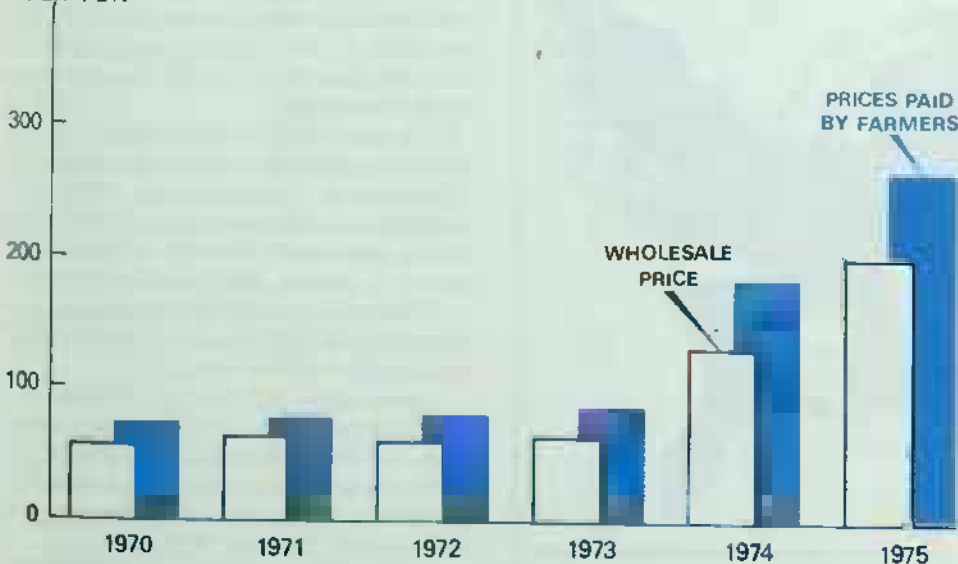
Potash

The availability of potash in the United States depends largely upon imports from Canada. With both U.S. and Canadian producers operating at optimum capacity, supplies are likely to be equal to domestic demand. But watch for short supplies within a few years.

BIG DEMAND MEANS BIG PRICES FOR AMMONIA

APRIL 15, 1970-75

\$ PER TON



Farm Machinery Stocks Increasing

Despite some rebuilding of inventories, the consensus among manufacturers is that stocks of machines ready for sale will not return to normal levels until late this year or early 1976. Until then, machinery prices probably will continue increasing—though at slower rates than those which prevailed during the last 18 months to 24 months.

Lower net farm income in 1974 resulted in weakened demand for many types of farm

equipment, a likelihood also for 1975. In relation to 1973, last year's sales of tractors declined 12 percent, combines fell 10 percent, hay balers and forage harvesters fell 21 percent and 9 percent, respectively. Sales for the first 3 months of 1975 declined except for self-propelled combines.

Prices of farm machinery have risen significantly in the past year. In the 12-month period ending March 15, 1975, both the Wholesale Price Index and Index of Average Prices

Paid for Farm Machinery rose approximately 25 percent. However, the easing of the inflation rate throughout the economy likely will help to slow price increases for agricultural equipment. The May 1975 Wholesale Price Index was up 2.4 percent over January; in 1974 the increase was 5.3 percent.

Reporters' Opinions of Real Estate Market Conditions

Market condition	Reported activity								
	Increased ¹			Remained the same			Decreased ¹		
	1974		1975	1974		1975	1974		1975
	Mar.	Oct.	Mar.	Mar.	Oct.	Mar.	Mar.	Oct.	Mar.
Percent of reporters									
Compared with 6 months ago:									
Farm or ranch land prices (all classes)	75	54	28	24	41	60	1	5	12
Availability of credit	28	4	17	58	28	48	14	68	35
Interest rates	39	87	27	56	12	53	5	1	20
Compared with 1 yr. ago:									
Buyers looking for farm or ranch land	60	31	18	34	43	40	6	26	42
Farms or ranches offered for sale	13	12	18	49	53	52	38	35	30
Farms or ranches sold	20	10	8	55	51	43	25	39	49
Expected level of farm or ranch land prices in 1 year	70	42	23	28	46	54	2	12	28

¹ "Increased" and "decreased" refer to change of 5 percent or more.

Rapid Inflation in Farmland Values May Be Over

Reporters to ERS' real estate market survey are not especially optimistic concerning continued gains in the value of farmland through next March 1. Last March fewer than a fourth of the reporters anticipated further price increases, down sharply from the 70 percent holding this opinion in March and 42 percent in October of 1974. At the same time, the ranks of those anticipating a decrease in market values had risen from 2 percent in March 1974 to 12 percent in October and 23 percent in March 1975. A further indication of a possible slowdown or perhaps reversal is provided by the reporters' indication that the number of potential buyers is declining while the number of farms offered for sale has remained largely unchanged.

What happens to real estate values in the months ahead will hinge largely on receipts from crops harvested this fall. Sharply lower grain prices resulting in sharply lower incomes for grain producers could bring about the first decline in many States' real estate values since the tight credit market of 1970. However, if crop prices are at or near current levels, a substantial slowing in real estate values is expected but no real declines are likely in the grain producing States. In livestock producing areas, the market for land is expected to show little strength until the income situation improves.

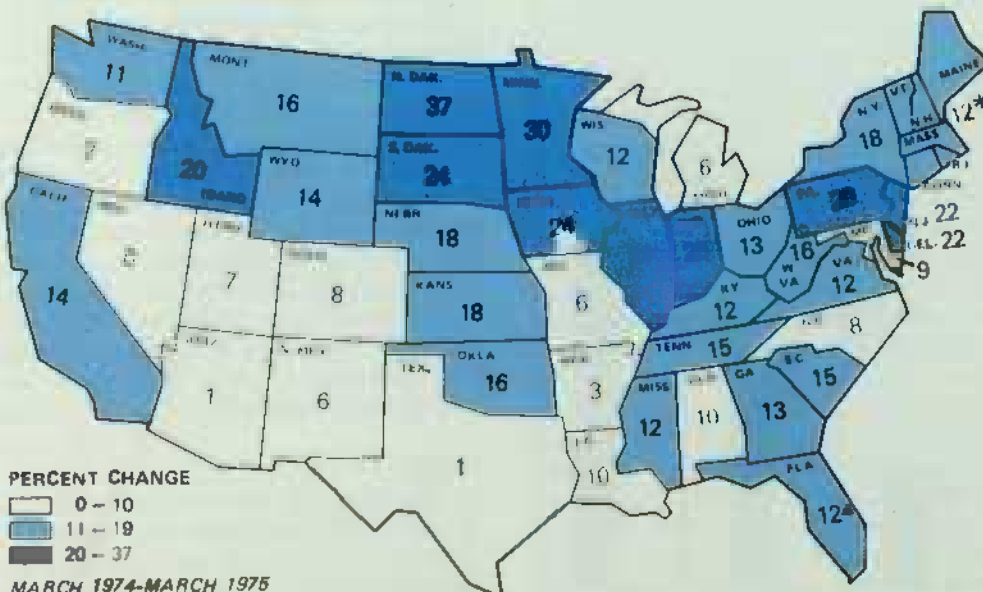
On balance, the national average change in real estate values between March 1, 1975 and March 1, 1976 is expected to fall between a minus 5 percent and a plus 5 percent for the year. This contrasts sharply with the 14-percent national increase between March 1, 1974, and March 1, 1975,—which, though steep, was much less than the 25-percent rise recorded the previous year.

The rate of increase varied sharply among States, ranging from no rise in Nevada to a 37-percent rise in North Dakota. The range among States reflects in large part the varying income positions of livestock and grain producers. In general, States heavily dependent on a livestock economy had slower rates of increase, while grain producing States had increases well above the average.

Strong signals that the rapid inflation in real estate values is over appeared in Arizona, Texas, Louisiana, and Arkansas. In these States, market values declined from November 1974 to March 1975. However, they were still above the March 1, 1974, level.

On March 1, 1975, the national index of real estate values per acre was estimated at

PER ACRE VALUE OF FARMLAND UP 14 PERCENT



BASED ON INDEX NUMBERS OF AVERAGE VALUE PER ACRE. *AVERAGE INCREASE FOR MAINE, NEW HAMPSHIRE, VERMONT, MASSACHUSETTS, RHODE ISLAND, AND CONNECTICUT. ▲AVERAGE OF THE PERCENTAGE CHANGE IN GEORGIA AND ALABAMA INDEX VALUES.

**Farm Real Estate: Indexes of Average Value Per Acre,
by State, Grouped by Farm
Production Region¹**

State	1973		1974		1975
	March	November	March	November	March
March 1, 1967=100					
Northeast					
Maine					
New Hampshire					
Vermont					
Massachusetts	198	218	232	250	261
Rhode Island					
Connecticut					
New York	176	199	233	254	275
New Jersey	211	240	278	315	340
Pennsylvania	201	227	262	284	315
Delaware	155	172	199	236	242
Maryland	191	211	227	242	248
Lake States					
Michigan	150	167	174	³ 181	184
Wisconsin	179	199	214	240	240
Minnesota	144	164	186	218	242
Corn Belt					
Ohio	147	161	184	201	208
Indiana	131	152	161	182	200
Illinois	129	150	173	194	209
Iowa	141	169	189	216	234
Missouri	160	180	207	218	218
Northern Plains					
North Dakota	142	168	193	229	265
South Dakota	130	151	172	192	214
Nebraska	145	168	183	204	215
Kansas	137	157	178	201	211
Appalachian					
Virginia	171	194	223	241	250
West Virginia	211	224	275	296	317
North Carolina	164	186	200	213	216
Kentucky	153	173	182	201	203
Tennessee	167	193	206	222	236
Southeast					
South Carolina	179	223	238	255	273
Georgia	201	244	264	288	298
Florida ²	155	187	200	219	224
Alabama	167	200	211	233	233
Delta States					
Mississippi	144	155	182	196	204
Arkansas	159	175	186	³ 194	191
Louisiana	148	161	174	³ 194	191
Mountain					
Montana	159	183	203	236	236
Idaho	159	170	203	224	243
Wyoming	153	169	191	208	218
Colorado	152	178	194	207	209
New Mexico	151	180	186	192	197
Arizona	170	182	208	214	211
Utah	186	211	216	221	232
Nevada	251	286	299	299	299
Southern Plains					
Oklahoma	150	169	183	209	212
Texas	156	170	191	³ 199	193
Pacific					
Washington	145	158	160	168	178
Oregon	187	201	213	226	228
California	115	127	131	140	149
48 States	150	170	187	³ 205	214

¹ Includes improvements. ² Index based on percentage change in Georgia and Alabama. ³ Revised.

214 (1967=100), up from 188 in March 1974 and 205 in November 1974.

Preliminary estimates show that for the year ending March 1, 1975, the acreage and number of transfers were down by 20 percent from the high level of the previous year.

Farm Credit Needs Increasing

Farmers' credit needs are expected to grow substantially this year as the price of production inputs continues rising while farmers' own funds for these purchases are smaller because of the declines in incomes. Lenders have adequate loan funds available but are advising borrowers to be cautious, particularly with purchases of machinery and other capital goods. Farm mortgage debt will rise strongly, even with farmland values stable or going up less rapidly. The emergency livestock loan program, with Farmers Home Administration guarantees, has been modified and extended for another year. Some easing in interest rates is expected.

The dollar volume of loans outstanding of the Production Credit Association (PCA's), one of the major sources of nonreal estate loan funds, at the end of April was 21 percent higher than a year earlier, similar to the expansion rate at yearend. A rise of only 6 percent during 1974 was shown by the most recent figure available on nonreal estate farm loans of commercial banks. Loans of merchants and dealers continue to be restricted.

Financial difficulties, primarily of cattle and cotton farmers, has caused the volume of farm loans renewed or extended to rise slightly in recent months, and repayments also are reported as less rapid than in 1974. A small increase has occurred in the number of nonreal estate loans being refinanced into mortgage loans. In general, the financial condition of farmers is less favorable than in 1974.

Interest rates on PCA loans had eased some by April 1 this year from an earlier peak. Further declines are likely since the cost of funds to the PCA's recently has been about 3 percentage points below the highs of last summer. Rates on farm loans at rural banks advanced less in 1973 and 1974 than PCA rates and have declined only slightly so far this year. Rates on farm mortgage loans have not declined.

While farmland values have been rising less rapidly in the last several months and the number of farm sales has declined, the demand for farm mortgage loans seemingly remains strong. Loans of the Federal Land Banks—the institutional lender with about one-fourth of all farm mortgage loans—continued to rise rapidly in the first quarter this year. Outstanding loans at the end of March were 24 percent larger than a year earlier, similar to the rise during 1974. Loans of life insurance companies also continued to rise, though much less rapidly than loans of the Federal Land Banks. There has been a small increase in delinquent loans.



MARKETING AND TRANSPORTATION

The farm-retail spread for a market basket of farm foods, which narrowed from winter to spring, may widen again this summer as retail meat prices rise.¹ Marketing spreads for beef were squeezed in April and May as cattle prices rose more than retail prices. Price spreads for meat normally decline when livestock prices rise and widen when prices fall. Little change is expected in price spreads for most other farm foods in the next several months.

For the year, marketing spreads are expected to average around 10 percent wider than in 1974, mainly reflecting wider spreads at the beginning of the year. This increase would be considerably less than the extraordinary rise of 20 percent in 1974.

The farm-retail spread for the market basket decreased 1.7 percent from April to May. Spreads narrowed for several market basket foods, but decreases were especially sharp for pork products, eggs, and fats and oils products. Marketing spreads changed little for most other products except fresh vegetables which widened sharply. The farm-retail spread for market basket foods in May 1975 averaged 2.7 percent wider than

¹ The farm-retail spread, the difference between the retail cost and farm value of a market basket of U.S. farm-originated foods, is an estimate of the total gross margin received by marketing firms for assembling, processing, transporting, and distributing the products in the market basket. The market basket represents the average quantities of those foods purchased annually per household in 1960-61. Retail cost of these foods is based on an index of retail prices for domestically produced farm foods, a component of the Consumer Price Index, published by the Bureau of Labor Statistics. The farm value is the payment to farmers for equivalent quantities of food products minus allowances for byproducts.

in May 1974. In contrast, marketing spreads in May 1974 averaged 24 percent wider than a year earlier.

The retail cost of the farm food market basket increased 0.5 percent in May after decreasing slightly in both March and April. Higher prices for beef, pork, and fresh fruits and vegetables contributed most of the rise. On the down side, lower prices for eggs, fats and oils products and sugar were significant.

The May retail cost of the farm food market basket averaged 5.4 percent higher than a year earlier. Prices were up sharply from a year ago for most items. However, retail prices for fresh vegetables, particularly potatoes, were down sharply.

Returns to farmers (farm value of quantities equivalent to retail units) for market basket foods rose 3.7 percent from April to May. Most of the increase resulted from a sharp jump in prices for beef cattle, hogs, and some fresh fruits and vegetables. Returns for many other market basket foods dropped sharply with sugar, bakery and cereal products, and fats and oils products leading the way. The farmer's share of a dollar spent in retail food stores for farm-originated foods was 41.8 cents in May, compared with 40.5 cents in April and 40.3 cents in May 1974.

Changes in farm-retail spreads over a year or so are due mainly to changes in cost of items purchased by firms whereas short-term changes mainly reflect price changes and market conditions. Since September 1973, extraordinarily large increases have occurred in costs of packaging, transportation, energy, and most other operating expenses of food marketing firms. Although price increases are slowing for some factors, further cost increases, particularly for labor, transporta-

tion, and possibly energy, will keep pressure on price spreads.

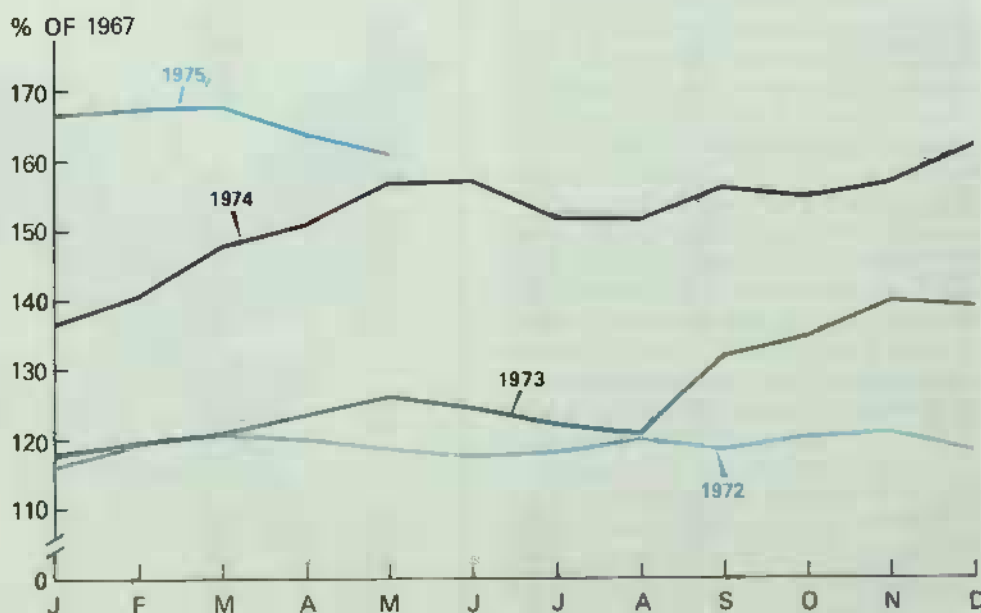
Labor costs, the largest proportion of operating expenses for firms, will likely continue to rise because of higher hourly earnings of employees. Increases in hourly earnings of food processing, wholesaling, and retailing employees the past year have been substantially greater than any year for which comparable data are available. Earnings in March this year were up about 11 percent over a year earlier. The quickened pace of wage increases, attributed to workers' reaction to inflation and their efforts to recoup lost purchasing power, can be expected to be reflected in wider marketing spreads. However, improvements in productivity may keep labor cost per unit of farm product marketed from rising as much as labor cost per hour.

Costs of food containers and packaging materials are substantially higher than a year ago as a result of price increases by manufacturers to cover rising costs of raw materials, particularly petroleum-based products. Although wholesale prices in May averaged 17 percent higher than a year ago, prices have been quite stable since last fall, and declined slightly in both April and May.

Fuel and electric rate hikes also have leveled off in recent months, following the huge increases during the energy crisis. Recent developments in the energy situation could bring another round of increases this fall.

Railroad rate changes during 1975 have not been as sharp as those during the first half of 1974, although there have been major increases. A 7-percent rise requested in January, but denied by the ICC in February, became effective in April. Export grain rates,

FARM-RETAIL SPREAD FOR FARM FOODS NARROWS



THE SPREAD IS THE GROSS MARGIN RECEIVED BY MARKETING FIRMS FOR ASSEMBLING, PROCESSING, TRANSPORTING AND DISTRIBUTING A MARKET BASKET OF FOOD.

Changes in Market Basket Values, May 1975

Item	Retail cost		Farm value		Farm-retail spread	
	Month ago	Year ago	Month ago	Year ago	Month ago	Year ago
	Percent					
Market basket	0.5	5.4	3.7	9.2	-1.7	2.7
Meat products	5.4	7.1	12.3	31.4	-4.9	-19.1
Dairy products	-1.4	-2.1	-1.5	-6.9	-1.2	2.7
Poultry	-1	7.9	-1.1	18.3	1.2	-3.6
Eggs	-9.1	7.1	-5.8	10.7	-14.4	1.2
Bakery & cereal products	-1.6	11.8	-9.7	-10.4	.3	17.9
Fresh fruits	6.5	6.3	21.0	21.7	.5	-.1
Fresh vegetables	3.7	-26.1	4.7	-24.9	3.2	-26.7
Processed fruits & vegetables	-1.7	15.6	-1.3	8.0	-1.8	17.8
Fats and oils	-6.0	13.2	-9.3	-13.9	-4.3	33.4
Miscellaneous products	-4.1	28.4	-19.6	-15.1	.2	44.5

which were initially exempted from the increase, became effective June 17. In addition, a 5-percent general rate rise, primarily for labor costs, became effective June 20. While rates are going up, recent trends in railcar loadings indicate that the transportation system shouldn't be under the same strains during the remainder of this year as during 1972-74. In general, railcar loadings have been down about 15 percent during the first half of 1975 compared with the corresponding period in 1974. In recent months, carloadings of grain have been off about one-third from levels of a year earlier.

With widening farm-retail spreads the past year, profits of food chains improved during 1974 from their depressed levels the previous

2 years. Profits after taxes of 13 leading food chains compiled from *Moody's Industrial Manual* were 1.0 percent of sales in the first quarter of this year, the same as a year earlier. These figures exclude the Great Atlantic and Pacific Tea Company which incurred losses of around 10 percent of sales because of store closings. Profit rates varied widely among firms. Three companies reported losses during the first quarter of this year, while profits of five companies were above 1.5 percent of sales.

After-tax profits of food manufacturers averaged 2.4 percent in the first quarter of this year, compared with 2.7 percent a year earlier. As a percent of stockholders' equity, profits averaged 10.7 percent, compared with 12.4 percent a year earlier.

FOOD

The Wholesale Price Index for all foods—often a forerunner of things to come at the retail level—rose for the second consecutive month in May. Between November 1974 and March 1975 the price index had fallen steadily. Last month's 0.3-percent increase reflected sharply higher prices for most live-stock-related food products. Wholesale prices for beef and veal were an eighth higher than in April, while pork was up a tenth. Fish, poultry, and eggs also rose significantly. Partially offsetting were sharply lower prices for crop-related foods. Sugar and confectionary prices fell at a sharp clip for the sixth consecutive month. The May WPI for sugar was 45 percent lower than the November high. Declines from April were also noted for cereal and bakery products, beverages, and fresh and dried fruits and vegetables. Wholesale prices for the latter commodities were almost a fourth below May 1974.

Compared with a year earlier, the May WPI for all foods was up less than 9 percent versus a 13-percent rise for industrial commodities. Wholesale prices for farm products were 2 percent higher.

Retail food prices this summer will depend heavily on weather and 1975 crop prospects in this country and abroad. If the feed crop looks good and large numbers of cattle are placed on feed, lower cattle marketings for slaughter could contribute to higher food prices. However, this would set the stage for some declines in food prices during the fourth quarter of 1975 and relatively stable prices during the first half of next year. Under these conditions, food prices for all of 1975 would average 6-8 percent above a year earlier, well below the increase of over 14 percent for each of the 2 previous years.

In contrast, unfavorable weather with crop harvests similar to those in 1974, espe-

Prices of Goods and Services Purchased by Food Marketing Firms

Item	First quarter			
	1975	1974	1973	1972
	1967=100			
Intermediate goods and services:	175.5	144.1	130.2	124.1
Total goods:	182.0	139.1	121.4	115.5
Containers & packaging	173.2	130.5	120.3	115.0
Fuel and electricity	231.2	174.7	130.9	123.5
Services	167.2	150.6	141.5	135.2
	Dollars			
Hourly earning of employees	4.27	3.85	3.60	3.40
Manufacturers	4.43	4.02	3.76	3.54
Wholesalers	4.54	4.07	3.81	3.61
Retailers	3.85	3.45	3.20	3.03

Expenditures for Food in Relation to Disposable Income

Year	Disposable personal income	Personal consumption expenditures for food ¹					
		For use at home ²		Away from home ⁴		Total	
		Amount	Percentage of income	Amount	Percentage of income	Amount	Percentage of income
	Bil. dol.	Bil. dol.	Pct.	Bil. dol.	Pct.	Bil. dol.	Pct.
1960	350.0	56.8	16.2	13.3	3.8	70.1	20.0
1965	473.2	69.3	14.6	16.5	3.5	85.8	18.1
1966	511.9	73.8	14.4	18.2	3.6	92.0	18.0
1967	546.3	74.5	13.6	19.4	3.6	93.9	17.2
1968	591.0	79.0	13.4	20.7	3.5	99.7	16.9
1969	634.4	82.0	12.9	22.1	3.5	104.1	16.4
1970	691.7	88.1	12.7	24.0	3.5	112.1	16.2
1971	746.4	91.6	12.3	25.2	3.4	116.8	15.7
1972	802.5	96.3	12.0	27.1	3.4	123.4	15.4
I	774.7	92.9	12.0	26.4	3.4	119.3	15.4
II	790.0	95.4	12.1	26.7	3.4	122.1	15.5
III	807.2	97.3	12.0	27.1	3.4	124.4	15.4
IV	838.1	99.7	11.9	28.2	3.4	127.9	15.3
1973	903.7	112.8	12.5	30.8	3.4	143.6	15.9
I	869.5	105.2	12.1	29.5	3.4	134.7	15.5
II	892.1	109.9	12.3	29.8	3.4	139.7	15.7
III	913.9	116.7	12.8	31.0	3.4	147.7	16.2
IV	939.4	119.6	12.7	32.8	3.5	152.4	16.2
1974	979.7	130.4	13.3	34.1	3.5	164.5	16.8
I	950.6	125.0	13.2	32.5	3.4	157.5	16.6
II	966.5	127.1	13.1	33.7	3.5	160.8	16.6
III	993.1	133.5	13.5	34.1	3.4	167.6	16.9
IV	1008.8	135.8	13.5	36.1	3.6	171.9	17.1
1975							
I ⁵	1015.5	139.5	13.7	37.1	3.7	176.5	17.4

¹Quarterly data are seasonally adjusted annual rates. ²Based on unpublished data of the Department of Commerce, and the *Survey of Current Business* and the National Income and Product Accounts of the United States, 1929-65. Omits alcoholic beverages, food donated by Government agencies to schools and needy persons, and non-personal spending for food such

as business purchases of meals, food furnished inmates of hospitals and institutions, and food included with transportation tickets and camp fees. ³Includes food consumed on farms where produced. ⁴Includes food served to the military and employees of hospitals, prisons, and food service establishments. ⁵Preliminary.

cially if accompanied by strong export demand for grains and oilseeds, likely would result in increased cattle slaughter and relatively stable average food prices during the summer. However, further decreases in the output of pork and poultry products, along with likely price increases for a broad range of crop-related foods, would probably mean an acceleration in food price increases late in the year. Retail food prices for all of 1975 under these conditions would average 8-10 percent above a year earlier and the stage would be set for even sharper increases in the following year.

Retail food prices registered a decline of 0.1 percent between March and April, compared with an 0.6-percent price increase for all nonfood items. Food at home prices averaged roughly 7-1/2 percent higher than April a year ago, while the CPI for nonfood items was up 11 percent. Much of the year-to-year increase in prices for food at home reflected changes which occurred in 1974. For the 3 months ending in April, grocery store food prices declined at a seasonally adjusted annual rate of almost 5 percent, compared with almost a 9-percent rise for

all items except food.

Grocery store food prices declined 0.2 percent while food away from home prices rose 0.5 percent from March to April. Most of the increase for prices of meals eaten away from home was due to higher prices for snacks. The decline for food at home prices was due to lower prices for poultry, fresh vegetables, dairy products, bakery products, fats and oils products, processed fruits and vegetables, and sugar. In April, sugar prices dropped over 15 percent for a decline of more than a third so far in 1975, but they were still more than 80 percent above April 1974. Red meats, fresh fruit, and eggs rose from March to April.

In May, the CPI for food rose 0.4 percent from April with substantially higher meat prices accounting for most of the increase. Fresh fruit and potato prices were also higher. Partially offsetting, were declines for cereal and bakery products, nonalcoholic beverages, dairy products, processed fruits and vegetables, and fats and oils. Partially prepared food prices declined for the first time in 3 years and sugar prices dropped again. All items, less food, rose 0.5 percent above April.

Second quarter retail food prices likely

averaged 1 to 2 percent above the first quarter, with most of the increases associated with animal-related food products. Red meat prices probably were up the most as beef output contracted at the same time that pork supplies were cut back sharply. Smaller production relative to a year earlier also maintained upward pressure on poultry product prices, although egg prices were seasonally lower during the spring. Moderate price increases likely occurred for fish and dairy products.

Prices of most crop-related foods were relatively stable this spring, although fresh fruit and potato prices rose seasonally. Some price declines are likely for items in the sugar and sweets as well as the cereal and bakery categories if lower ingredient costs are reflected at the retail level.

Food Spending Rises

Total personal consumption expenditures for food rose during the first quarter to \$176.5 billion (seasonally adjusted annual rate), an increase of 2.7 percent or 4.6 billion. Expenditures for food at home increased \$3.7 billion, over a 2-1/2 percent increase, while restaurant meals and snacks increased \$1 billion or 2.8 percent during the quarter.

Much of the quarterly increase in food expenditures was due to increased prices. Total consumption expenditures for food measured in 1958 dollars increased 1 percent during the quarter, after declining during the previous quarter. Price-adjusted expenditures for food at home rose 1.5 percent, while expenditures for restaurant meals and snacks dropped fractionally.

The rate of growth in food expenditures continues to decline as price increases become more moderate. Compared with a year earlier, total food expenditures in the first quarter of 1975 were up 12 percent. Expenditures for food eaten away from home rose at a record rate during the past year with the first quarter value 14 percent above the same quarter last year. However, the 11-1/2 percent increase in expenditures for food at home was significantly less than the nearly 19-percent annual increase measured a year ago.

With food expenditures rising at a faster pace than disposable personal income, the share of disposable income allocated to consumption expenditures for food rose to 17.4 percent, its highest level since 1967.

Per capita food consumption indexes, seasonally adjusted

Period	Total livestock	Meat
	1967=100	
1974 I	100.8	101.4
II	102.4	106.7
III	100.9	104.2
IV	100.9	105.5
1975 I	100.6	104.4



GENERAL ECONOMY

A gradual upturn in economic activity is likely in the second half of 1975, despite the possibility of additional energy difficulties and the lack of consensus on a national energy policy. Inventory liquidation, which has already exerted considerable downward pressure on the economy, will continue over the next few months. But significant upturns in production and real GNP are likely this fall.

Although consumer spending probably will be limited by a relatively high saving rate, consumer expenditures should provide the major strength in demand in the coming months. Should consumers decide to spend a larger share of their incomes, the recovery could be considerably more robust than now seems likely.

Businessmen have adopted a cautious attitude concerning future demand growth and output is well below the limit imposed by productive capacity. Thus, despite the strengthening effect of the 10 percent investment tax credit, real business fixed investment probably will show some further decline before turning upward in the early months of 1976.

A new round of inflation or a sharp rise in interest rates would severely curtail the prospects for the continuation of a strong recovery in 1976. The combination of underutilization of productive capacity, continued weak private demand for credit to finance new investments, and an accommodating monetary policy would normally prevent a resurgence of inflation or a jump in interest rates as demand increases in the second half. Although these factors are expected to be present over the next several months, the outlook for prices and interest rates is complicated by a probable increase in crude oil

prices sometime during the fall.

The Organization of Petroleum Exporting Countries is virtually certain to increase crude oil prices when the current freeze expires on October 1, 1975. While the exact amount cannot be predicted at this time, an increase of at least \$4 per barrel (roughly 25 percent) is not unlikely. An increase of this magnitude doubtless would have an adverse effect on both the extent and duration of the recovery. In addition to the obvious cost-push pressures on domestic prices which would result from such an increase, interest rates probably would adjust upward in response to a higher anticipated inflation rate.

The likelihood of several more months of high unemployment continues to be a major negative feature of the economic outlook. Even in the absence of any new energy problems, the unemployment rate probably will be near 9 percent at yearend. While total employment will be increasing in the months ahead, hiring of new workers will be insufficient to cause a substantial drop in the unemployment rate. Producers likely will delay the hiring of large numbers of new workers until they are satisfied that a recovery is in progress. In the meantime, they will tend to restore productivity by using currently employed workers more efficiently as production expands.

Leading Indicators Rising

Following a 1-percent rise in March, the Commerce Department's newly revised composite index of leading indicators increased 4.2 percent in April. The index is a composite of twelve individual economic series and serves as a leading indicator, in that during recessions it generally turns upward before an

upturn in general economic activity. Thus, while the index is not an infallible predictor of future economic developments, the March and April increases support the optimism for a recovery later in the year.

The breadth of the upturn in leading indicators is also encouraging. Ten of the 11 April indicators which were available as of May 29 showed an increase from March.

Industrial Prices Rising Slowly

Following a rapid 1-percent rise in April, wholesale prices advanced 0.6 percent in May. Adjusted for normal seasonal variation, the May increase in wholesale prices was 0.4 percent, compared to 1.5 percent in April. Prices of farm products and processed foods and feeds, which tend to fluctuate erratically and are, therefore, an unreliable indicator of general price trends, led the advance in wholesale prices in both months. Seasonally adjusted wholesale prices of industrial commodities increased only 0.1 percent in April and 0.2 percent in May.

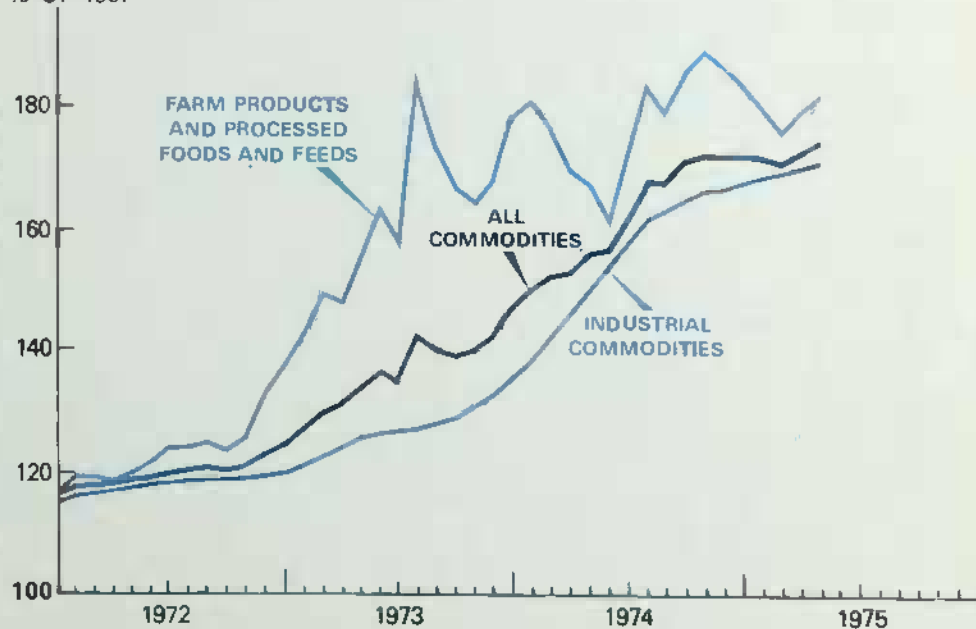
Prices of nonfood crude materials, which declined substantially as economic activity slumped from November to March, increased 1.1 percent in April and 1.9 percent in May. Since crude materials prices are sensitive to cyclical changes and typically increase prior to an upturn in general economic activity, the behavior of these prices in April and May is further evidence pointing to a possible turnaround in the economy.

Housing-Related Activity Up

Several recent developments support anticipations of an upturn in the housing

WHOLESALE PRICES TURN UPWARD

% OF 1967



industry. The number of new permits issued for building private housing increased 24 percent in April and 9 percent in May (on a seasonally adjusted basis), and new private housing starts increased 14 percent in May (seasonally adjusted). Net flows of savings into savings and loan associations, a major determinant of the availability of home mortgages, continued to reflect low short-term money market interest rates and totaled \$2.7 billion in April. This was a record for the month of April and followed a record \$3.7 billion net inflow in March. Reflecting the increased availability of funds and stronger demand, the amount of mortgage loans closed by savings and loan associations was one-third higher in April and outstanding commitments for future mortgage lending increased \$1.6 billion.

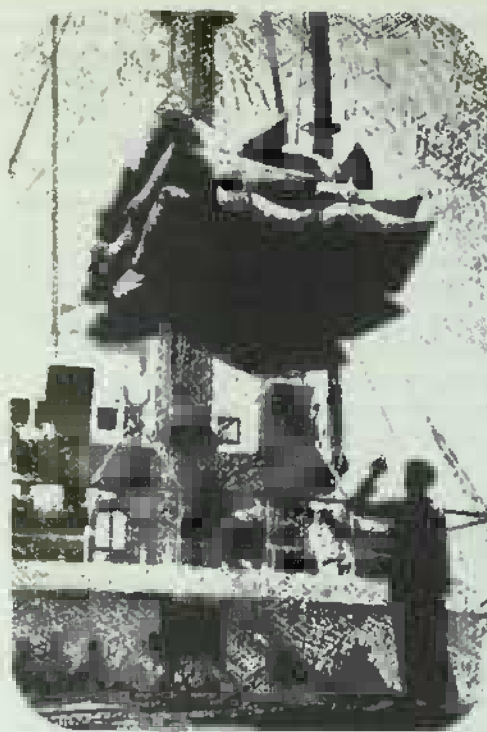
Signs of Labor Market Improvement

Despite an increase in total employment, the unemployment rate continued to climb and reached 9.2 percent in May. While a decline in the unemployment rate may be a few months away, there have been some recent indications of an improvement in labor market conditions. May was the second consecutive month in which the number of persons holding jobs advanced. The average workweek of production workers in manufacturing increased from 38.8 hours in March to 39 hours in April. At the same time, average weekly initial claims for unemployment insurance declined from 545,000 to 517,000 and the layoff rate per 100 employees in manufacturing fell from 2.8 to 2.5.

Production Stabilizing

Industrial production fell another 0.3 percent in May, following an identical April decline. This was the eighth consecutive monthly decrease in industrial production, which has now fallen 13 percent from its previous peak in September 1974. The May decrease resulted from declines in production of business equipment, construction products, and materials.

Although the decline in production continued in May, overall output appears to be stabilizing and some sectors are showing considerable strength. The April and May production declines were the smallest since the beginning of the output slump in October 1974. If the business continues to unload inventories, which dropped a record \$1.9 billion in April, industrial production may show good gains in coming months. The inventory readjustment has been the big factor in the recent declines in output. Anticipation that the consumer goods sector would lead the economic recovery were realized, as the output of consumer goods increased 1 percent in April and 1.7 percent in May. Production of consumer durables, which was only 3 percent above the 1967 level in March, increased 2.5 percent in April and rose a further 3.6 percent during the month of May.



WORLD AGRICULTURE AND TRADE

World crop prospects currently appear favorable—and as of early June it seemed likely 1975 world food production would return to the more normal upward trend level from reduced 1974 output.

Weather around the globe this spring generally assisted farmers in carrying out their plans to expand the area sown to major crops. In North America, crops were generally in good shape and plantings, although delayed in spots, appeared to be advancing well. The same was true in most of Europe. In the USSR, however, the weather has been mostly warm and dry in many important agricultural areas. Timely precipitation during the growing season will be especially needed this year. Spring rains have improved conditions considerably in China, where Manchuria remains the only large dry area. However, there are signs that the rainy season is beginning in that area.

The input situation has also improved markedly over a year ago. An easing of the tight world fertilizer situation of the past couple years is evidenced by recent spot market prices—which are down to perhaps half last year's levels for a number of products.

Fertilizer inventories are relatively large in India, Pakistan, and Turkey—and stocks are more than ample in the Philippines where the government has banned further imports. In North America, fertilizer supplies and prices are still constricting use—and consumption increases this year will fall short of the previous 2 crop years. Nevertheless, U.S. manufacturers' inventories are increasing from the year before, although inventories are still less than normal.

For the 1975/76 crop year, ERS economists currently expect nearly an 8 percent increase in nitrogen capacity worldwide and a 6 percent increase in consumption; for phosphate a 12 percent increase in capacity and a 5 percent increase in consumption; and for potash a 3 percent increase in capacity and a 5 percent increase in consumption. While estimating production from capacity is uncertain, it appears fertilizer supplies will be sufficient to meet expected consumption levels, and prices may soften.

In light of the improved input situation and assuming normal weather, world wheat production is currently forecast to reach a record 372 million metric tons, up 7 percent over the 1974 total of 347 million with most of the increase occurring in the United States, Canada, and the USSR. Drought cut production of wheat in Argentina to 5.6 million tons, down from 6.7 million in 1973/74. Western Europe's 1975 wheat crop likely will be smaller than last year's record 56 million metric tons. Coarse grain production there will also fall below last year's record 87.7 million metric tons, although feed grain production in the European Community is expected to exceed 1974's production.

On June 9, the Soviet grain crop prospects for the 1975/76 season were forecast by USDA at 200 million tons, down from the earlier projection of 210 million tons, and below the grain production plans of 215.7 million tons. Soviet wheat production, included in the forecast, is still expected to total 95 million tons. Drought in some areas such as the Volga Region, the Southern Urals, and the western part of Northern Kazakhstan is the principal cause for the drop in production. In the event of a 200 million ton harvest, Soviet grain imports could likely increase in 1975/76 from a currently projected level of 7 million tons (2 million net) to around 10 million tons. Cotton is expected to equal or exceed last year's 8.4 million tons.

World concern in 1974 was focused on three areas suffering from food shortages—Bangladesh, India, and the Sahel. Through improved domestic production or imports, food supplies are likely to be more adequate this year in all three areas.

Despite widespread flooding in Bangladesh last August, the total rice harvest probably was near the previous level of 12 million metric tons. The U.S. PL 480 agreement for fiscal year 1975 with Bangladesh includes 550,000 metric tons of wheat and 300,000 metric tons of rice. This total amount will arrive there by mid-August 1975. The situation there appears greatly improved.

Total 1974/75 production of cereals and pulses in India is expected to exceed 100 million tons, down somewhat from last year but higher than estimates a few months ago. Weather during March was mild and followed timely rains which helped supplement irrigation water projects. India's grain imports are expected to match the unloading capacity in that country's ports.

In the Sahel, late 1974 crops were generally good, as the drought was relieved by more normal rainfall. Food supplies there are now adequate and the extreme need for foreign supplies is diminished. However, drought persists in Africa. A prolonged dry spell in the Somali Republic has caused widespread hardship and food production is expected to be low. Relief camps are crowded but international aid is now deemed adequate to relieve hunger.

An important part of the current outlook for total food supplies in 1975/76 is the low level of grain stocks in most countries. The situation has reduced the amount of food available for international assistance, contributed to higher grain prices, and increased the likelihood of price instability, especially if unfavorable weather patterns develop.

International agricultural prices, which have dropped precipitously since November 1974, are reacting to the prospects of record crops during 1975/76, reduced purchases by centrally planned countries, and continued economic stagnation in major developed markets.

Outlook for U.S. Agricultural Exports

In spite of the global recession, U.S. agricultural exports will total about \$22 billion in fiscal 1975, with grains leading in sales value. Oilseeds and products are down somewhat from fiscal 1974 as our trade continues to feel the effect of declining world prices, decreased demand in Japan, and increasing competition from Brazilian beans. Brazilian soybean exports have grown from the equivalent of 2 percent of our own export value in 1971 to about 24 percent this fiscal year. And they may total 30 percent of our projected fiscal 1976 soybean export value.

Lower prices probably will hold the value of U.S. agricultural exports under \$20 billion—possibly to \$18 billion—in the upcoming fiscal year. Although the quantity of exports may be up 10 percent, the export values of these major commodities are down substantially over the last fiscal year.

Commodity Outlook

Food and feed grains: The fiscal 1976 outlook points to a rise in volume, but a drop in value (from \$12 to \$9½ billion), because of substantially lower prices.

Oilseeds and products: Exports are forecast at slightly over \$3 billion for fiscal 1976, down from an expected \$5 billion this fiscal year.

Cotton: The outlook for fiscal 1976 is slightly better (\$1 billion) than expectations for fiscal 1975 (just under \$1 billion).

Livestock and products: Not much improvement is anticipated for fiscal 1976, with exports forecast to remain near the \$1½ billion level expected for this year.

Dairy and poultry products: The forecast is for exports sharply below the fiscal 1975 value of \$230 million.

The value of our agricultural exports to

Canada in fiscal 1976 may level off or decline slightly from the \$1¼ billion expected this year. Corn sales to Canada are likely to be up in fiscal 1976, but soybean export volume will be down. Canada is considering an increase in import duties for many fruits and vegetables, and if implemented, the increase would dim the otherwise good prospects for U.S. sales of these items. On the other hand, liberalization of quotas on slaughter cattle, beef, and turkey meat would enhance sales of animals and animal products.

Western Europe's demand for feed grains should continue strong into fiscal 1976 and our soybean exports should increase over this year's reduced level. The volume of our farm exports to Western Europe is expected to rise in fiscal 1976 but because of the anticipated decline in prices, value could drop from the nearly \$7½ billion expected for fiscal 1975 to \$6¼ billion.

Japan is expected to remain the largest national market for U.S. agricultural exports in fiscal 1976, although lower prices in general may reduce the total value of our sales to \$2.8 billion, down from an estimated \$3.4 billion in fiscal 1975. While the demand for animal feeds is expected to recover somewhat in fiscal 1976, Japan continues to restrict imports of several agricultural commodities, including beef, oranges, fruit juices, and cheese. Liberalization of these quota restrictions although presently unlikely, could lead to increased U.S. sales to Japan.

After declining this fiscal year, Soviet imports of U.S. farm products were forecast in May to rise to around \$500 million in fiscal 1976. Grain exports were projected to increase substantially in volume, and may be boosted further if the current reduction fore-

cast holds through the crop season.

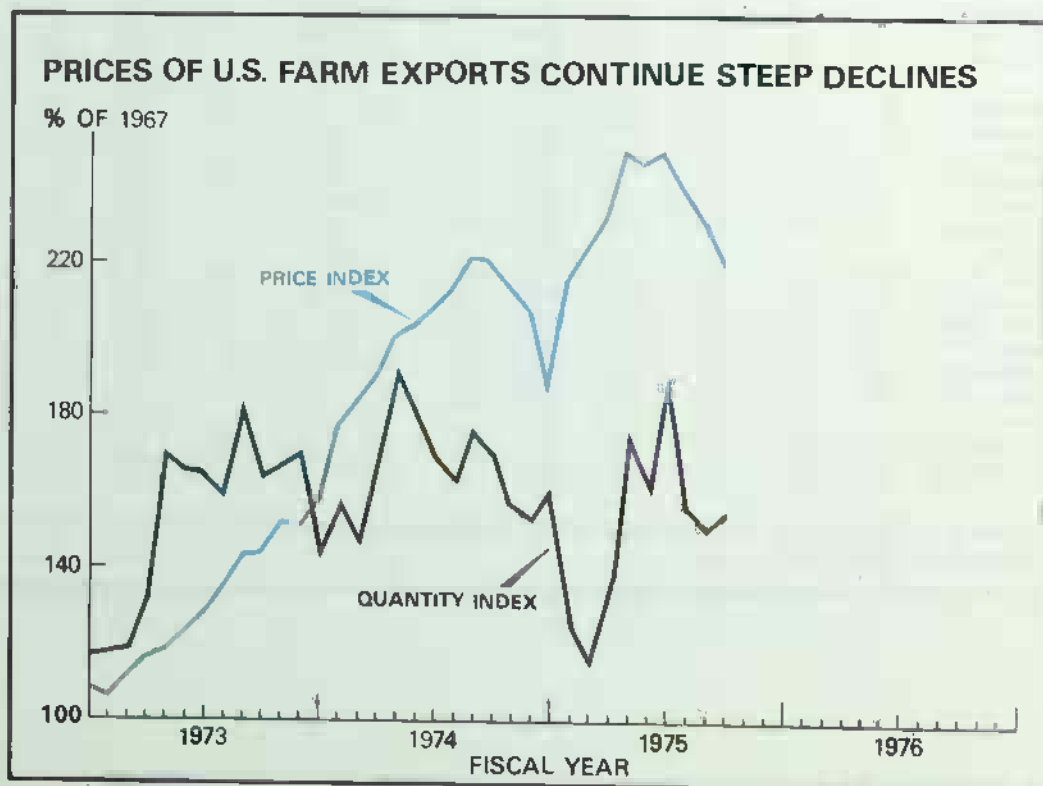
Fiscal 1976 prospects for exports to the People's Republic of China are not optimistic. No outstanding contracts remain for corn, wheat, and soybeans. Fiscal 1975 exports to China are now expected to total a little over \$300 million, a sharp drop from last year's \$851 million.

OPEC nations are expected to continue to be strong markets in fiscal 1976. With increased wealth from petroleum revenues, these countries have become fantastic growth markets for U.S. agricultural exports. This year's value total is expected to be about \$1.8 billion, up about 70 percent over the fiscal 1974 total.

Of significance for agricultural trade for West Asia is the reopening of the Suez Canal. Lower costs may make U.S. goods more attractive to buyers in that area. South Vietnam and Cambodia, countries which imported \$355 million worth of goods from the United States in fiscal 1974, are not expected to continue importing from us in fiscal 1976.

Latin America is expected to take about \$1.8 billion U.S. agricultural exports in fiscal 1976, considerably less than in fiscal 1975. Quantities of feed grains and rice are expected to be down sharply, while soybean and soybean products may go up in quantity and down in overall value. Mexico, a large Latin American market, took over \$800 million this fiscal year, primarily in feed grains. However, exports to Mexico are expected to drop off considerably next year.

The outlook for fiscal 1976 exports to Africa indicates exports of about the fiscal 1975 volume, but a decline in value to below the \$1 billion mark, due to the downward trend in farm prices.



STATISTICAL INDICATORS

Cash receipts¹ from farm marketings,
by States, January-April

	Livestock and products		Crops ²		Total ³	
	1974	1975	1974	1975	1974	1975
	\$mil ³					
NORTH ATLANTIC						
Maine	77.7	74.6	148.0	53.6	225.7	128.2
New Hampshire	19.7	18.9	6.0	6.0	25.8	25.0
Vermont	68.1	61.5	6.2	6.2	74.3	67.6
Massachusetts	38.7	35.4	22.4	27.7	61.1	63.2
Rhode Island ⁴	4.0	4.0	3.1	2.6	7.1	6.6
Connecticut	48.1	41.7	28.3	47.0	76.4	88.7
New York	366.1	326.3	122.5	123.3	488.6	449.7
New Jersey	41.9	37.1	30.3	32.1	72.2	69.2
Pennsylvania	382.4	344.1	152.1	144.7	534.5	488.8
NORTH CENTRAL						
Ohio	377.9	336.4	347.0	555.7	724.9	892.1
Indiana	438.5	383.7	482.9	399.7	921.5	783.4
Illinois	721.0	616.6	1,552.5	1,257.7	2,273.5	1,874.3
Michigan	256.2	220.1	220.1	207.9	476.3	427.9
Wisconsin	736.6	640.0	138.6	116.2	875.2	756.2
Minnesota	756.6	653.1	736.2	462.1	1,492.8	1,115.2
Iowa	1,331.2	1,140.7	1,123.1	937.8	2,454.3	2,078.4
Missouri	584.0	484.2	301.6	225.0	885.6	709.2
North Dakota	155.8	108.4	719.7	311.8	875.5	420.2
South Dakota	455.7	351.9	293.5	137.5	749.2	489.4
Nebraska	851.5	667.4	638.6	460.3	1,490.1	1,127.7
Kansas	847.9	592.0	671.9	380.6	1,519.8	972.7
SOUTHERN						
Delaware	51.7	51.2	13.3	13.2	65.1	64.4
Maryland	128.5	121.0	39.4	46.1	167.9	167.2
Virginia	154.5	141.9	70.2	61.0	224.7	202.8
West Virginia	34.7	30.2	10.8	14.1	45.5	44.3
North Carolina	322.5	292.7	145.7	125.6	468.2	418.3
South Carolina	96.8	81.0	96.4	69.3	193.2	150.3
Georgia	415.3	367.3	106.3	121.7	521.6	489.0
Florida	208.2	183.2	765.5	1,033.0	973.7	1,216.2
Kentucky	243.4	199.4	194.5	215.6	437.9	414.9
Tennessee	223.6	177.2	85.4	95.3	309.0	272.5
Alabama	270.8	249.0	95.5	70.5	366.3	319.6
Mississippi	222.9	188.5	226.3	196.4	449.2	384.9
Arkansas	304.0	270.4	259.9	124.1	563.9	394.4
Louisiana	137.9	115.2	115.3	194.0	253.2	309.2
Oklahoma	420.4	283.1	187.2	133.5	607.7	416.6
Texas	1,131.6	833.4	1,032.2	582.7	2,163.9	1,416.1
WESTERN						
Montana	101.1	76.6	236.4	173.0	337.5	249.6
Idaho	151.7	119.1	338.2	191.6	489.9	310.8
Wyoming	67.4	48.3	25.8	13.5	93.2	61.7
Colorado	554.1	438.5	153.4	144.6	707.5	583.1
New Mexico	127.8	96.0	36.4	28.3	164.1	124.4
Arizona	202.5	168.8	139.4	157.9	341.9	326.8
Utah	79.2	65.3	21.6	20.5	100.8	85.7
Nevada	35.0	27.8	9.5	7.4	44.4	35.2
Washington	158.2	135.7	289.7	253.8	447.9	389.5
Oregon	139.8	118.4	137.4	92.5	277.2	210.9
California	861.9	806.4	982.2	937.9	1,844.1	1,744.3
Alaska	.8	.8	.2	.2	1.0	1.0
Hawaii	19.7	19.4	67.2	174.1	86.9	193.4
UNITED STATES						
Grand total	15,425.5	12,843.9	13,626.0	11,187.1	29,051.5	24,031.0

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period.

³ Rounded data may not add.

Cash receipts from farming	1974										1975			
	Annual	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	\$mil.													
Farm marketings and CCC loans: ¹	95,004	5,949	5,882	6,081	7,606	7,707	7,920	11,542	10,661	8,554	8,293	5,484	5,464	4,790
Livestock and products	42,327	3,687	3,588	2,907	3,194	3,427	3,309	3,888	3,400	3,189	3,470	3,089	3,226	3,060
Meat animals	26,458	2,320	2,207	1,650	1,933	2,146	2,049	2,535	2,108	1,906	2,147	1,875	1,906	1,802
Dairy products	9,263	850	866	785	743	727	701	744	711	746	760	722	798	763
Poultry and eggs	6,160	478	475	429	476	517	525	576	551	493	527	457	491	460
Other	446	39	40	43	42	37	34	33	30	44	36	35	31	38
Crops	52,677	2,262	2,294	3,174	4,412	4,280	4,611	7,654	7,261	5,365	4,823	2,395	2,238	1,731
Food grains	9,091	294	315	831	1,513	1,173	1,087	945	607	555	601	291	221	203
Feed crops	14,700	623	678	1,013	1,183	1,220	1,101	1,602	2,096	1,694	1,625	775	587	466
Cotton (lint and seed)	3,520	83	54	21	21	56	117	610	903	653	443	85	54	16
Tobacco	2,077	16	21	8	172	373	376	354	183	415	212	17	1	11
Oil-bearing crops	11,098	338	392	395	539	422	565	2,702	2,161	1,023	1,061	483	522	188
Vegetables and melons	5,456	418	395	445	454	551	723	714	395	316	294	249	296	293
Fruits and tree nuts	3,553	209	214	305	330	294	378	426	401	317	199	187	219	202
Other	3,182	281	225	156	200	191	264	301	515	392	388	308	338	350
Government payments	534	5	8	16	24	35	60	110	85	126	140	150	96	57
Total cash receipts ²	95,538	5,954	5,890	6,097	7,630	7,742	7,980	11,652	10,746	8,680	8,433	5,634	5,560	4,847

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add to totals because of rounding.

Prices received and paid by farmers, U.S. average	1974									1975					
	Annual	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	
	1967=100														
Prices received															
All farm products	184	174	165	176	185	181	186	182	178	172	168	165	170	178	
All crops	213	200	200	207	220	219	230	225	214	201	192	185	188	189	
Food grains	299	254	259	285	272	277	308	312	297	266	259	241	243	230	
Feed grains and hay	242	210	213	233	269	268	282	279	273	259	241	226	231	234	
Feed grains	246	205	213	237	277	275	291	289	282	266	245	228	232	232	
Cotton	226	218	212	224	237	243	228	223	194	163	144	150	142	161	
Tobacco	148	141	138	137	154	161	166	164	167	163	166	166	166	166	
Oil-bearing crops	230	195	191	216	259	254	284	267	254	231	214	195	203	190	
Fruit	143	141	155	142	156	153	160	138	127	135	132	140	141	154	
Fresh market	141	140	162	140	155	151	160	133	119	126	124	134	135	155	
Commercial vegetables	144	148	152	143	145	147	138	158	154	163	171	162	169	163	
Fresh market	156	169	169	154	145	145	164	168	159	170	188	172	179	174	
Potatoes, sweet potatoes, and dry edible beans	293	407	349	297	255	210	207	204	187	183	174	168	177	191	
Livestock and products	163	156	142	155	161	155	156	153	153	153	151	152	157	171	
Meat animals	165	159	142	163	170	152	151	145	146	145	144	146	159	182	
Dairy products	160	159	148	146	148	155	159	162	158	159	159	157	155	154	
Poultry and eggs	162	136	127	137	148	167	167	173	177	176	170	168	153	158	
Wool	146	152	150	154	132	123	125	115	109	102	89	83	99	120	
Prices paid for commodities and services, interest, taxes, and wage rates	169	165	166	168	173	175	177	179	180	180	180	179	182	183	
Prices paid	167	163	164	166	172	175	175	178	179	178	177	176	179	181	
Family living items	161	160	160	161	164	166	167	171	173	173	175	173	173	175	
Production items	172	166	168	170	178	182	183	183	184	182	180	179	185	187	
Feed	192	173	172	178	208	204	211	210	207	202	192	182	185	185	
Feeder livestock	144	152	129	134	138	122	119	112	113	105	103	109	123	133	
Interest per acre on farm real estate debt	222	222	222	222	222	222	222	222	222	263	263	263	263	263	
Taxes per acre on farm real estate	150	150	150	150	150	150	150	150	150	156	156	156	156	156	
Wage rates	176	171	171	176	176	176	185	185	185	187	189	187	189	189	
Production items, interest taxes and wage rates	174	169	170	172	179	181	184	185	185	185	183	183	187	189	
Prices received (1910-14=100)	466	442	420	447	470	460	473	463	451	438	427	420	431	452	
Prices paid, etc. (1910-14=100)															
(Parity index)	578	564	567	574	591	599	606	613	613	617	615	612	621	627	
Parity ratio	81	78	74	78	80	77	78	76	73	71	70	69	69	72	

Prices received by farmers	1974									1975				
	Annual	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Crops														
All wheat, (\$/bu.)	4.48	3.52	3.57	4.04	4.24	4.32	4.85	4.87	4.65	4.11	3.95	3.65	3.69	3.47
Rice, (rough), (\$/bu.)	¹ 13.81	17.20	17.50	---	9.69	9.85	10.25	11.10	10.50	10.30	10.80	10.60	10.50	10.40
Corn, (\$/bu.)	2.92	2.45	2.57	2.91	3.37	3.30	3.45	3.32	3.27	3.07	2.86	2.67	2.68	2.66
Sorghum (\$/cwt.)	4.59	3.59	3.59	4.15	5.07	5.30	5.78	5.85	5.33	4.96	4.21	4.03	4.15	4.21
All Hay, baled, (\$/ton)	49.10	54.00	47.70	48.20	51.10	51.90	51.50	50.30	50.70	50.10	49.30	49.70	52.40	56.30
Soybeans, (\$/bu.)	6.42	5.21	5.13	6.11	7.55	7.32	8.17	7.44	7.03	6.30	5.72	5.31	5.61	5.00
Cotton, Upland, (\$/lb.)	51.10	49.30	48.10	50.80	53.60	54.90	51.40	50.40	43.80	37.00	32.60	33.90	32.20	36.30
Potatoes, (\$/cwt.)	5.58	8.11	6.52	5.87	4.96	4.12	3.89	3.92	3.45	3.32	3.17	2.94	3.25	3.69
Dry edible beans, (\$/cwt.)	32.28	42.30	38.20	29.90	27.20	21.40	23.10	20.90	20.20	20.20	18.40	18.80	17.70	16.90
Apples for fresh use, (cts./lb.)	1.37	11.40	13.90	12.80	11.20	12.30	11.40	10.70	10.20	9.80	9.90	11.30	11.00	14.50
Pears for fresh use, (\$/ton)	208.55	269.00	---	235.00	212.00	213.00	192.00	196.00	183.00	154.00	146.00	135.00	166.00	158.00
Oranges, (\$/box)	1.86	1.72	1.83	1.67	2.16	2.25	2.86	1.92	1.43	1.29	1.34	1.49	1.61	1.80
Grapefruit, (\$/box)	1.72	1.86	1.90	1.20	2.29	1.47	2.40	1.87	1.77	1.69	1.70	1.72	1.77	2.39
Livestock														
Beef cattle, (\$/cwt.)	35.60	37.30	32.60	35.30	37.00	32.60	30.60	28.20	27.70	27.60	26.90	27.80	31.80	36.50
Calves, (\$/cwt.)	35.20	42.70	37.40	36.00	34.30	30.10	27.70	25.70	25.00	23.90	24.30	24.70	26.80	29.50
Hogs, (\$/cwt.)	34.20	26.30	24.20	34.20	36.00	33.70	37.10	36.80	38.30	38.20	38.40	38.30	39.30	45.10
Lambs, (\$/cwt.)	37.00	41.20	42.70	37.90	37.50	33.20	33.20	35.20	36.10	36.90	38.10	33.90	42.70	45.40
All milk, sold to plants (\$/cwt.)	8.31	8.27	7.67	7.60	7.76	8.03	8.28	8.44	8.22	8.33	8.28	8.13	8.09	⁴ 7.99
Milk, manuf. grade (\$/cwt.)	7.17	6.93	6.43	6.33	6.47	6.80	7.04	7.01	6.73	7.00	7.04	7.01	7.04	⁴ 7.03
Broilers, (cts./lb.)	21.8	20.5	19.0	20.5	20.9	22.8	22.8	24.2	21.9	24.2	24.6	23.7	23.4	24.6
Eggs, (cts./doz.) ¹	52.9	42.2	39.8	43.8	47.8	54.8	54.9	55.4	59.0	57.1	54.3	54.1	47.4	47.6
Turkeys, (cts./lb.)	28.8	24.6	23.6	23.0	27.1	27.3	28.0	30.8	33.4	31.8	30.8	30.3	28.7	30.8
Wool, (cts./lb.) ²	59.1	60.6	59.7	61.1	52.5	48.7	49.6	45.8	43.5	40.5	35.3	33.1	39.1	47.6

¹ Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. ² Average local market price, excludes, incentive payments. ³ 11 month average. ⁴ Preliminary.

Wholesale Price Index U.S. average (not seasonally adjusted)	1974									1975				
	Annual	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
1967=100														
All commodities	160.1	155.0	155.7	161.7	167.4	167.2	170.2	171.9	171.5	171.8	171.3	170.4	172.4	171.8
Industrial commodities	153.8	150.5	153.6	157.8	161.6	162.9	164.8	165.8	166.1	167.5	168.4	168.9	169.7	170.3
All foods	174.4	167.7	163.4	172.6	176.9	178.2	182.0	192.3	189.2	188.4	185.6	180.4	181.9	182.4
Farm products	187.7	180.8	168.6	180.8	189.2	182.7	187.5	187.8	183.7	179.7	174.6	171.1	177.7	184.5
Eggs	160.6	126.0	124.7	132.0	149.6	169.8	167.8	164.9	181.1	168.7	162.4	166.3	140.0	145.5
Fresh and dried fruits and vegetables	192.3	236.8	204.4	186.9	162.6	163.2	166.2	186.9	163.7	174.9	169.0	163.8	183.4	183.1
Processed foods and feeds	170.9	158.9	157.4	167.6	179.7	176.8	183.5	189.7	188.2	186.4	182.6	177.3	179.4	179.0
Meats	159.6	147.5	135.7	165.0	169.1	161.3	160.2	155.4	156.0	161.9	159.0	159.0	171.6	189.8
Beef and veal	158.6	155.8	140.6	166.1	172.4	159.3	149.6	140.6	139.8	148.2	142.7	143.7	167.7	189.4
Pork	162.3	135.2	125.2	171.3	173.9	169.9	178.2	172.9	176.6	183.7	181.8	180.4	181.9	201.7
Poultry	157.3	150.8	138.1	150.6	150.4	170.3	158.5	172.1	165.5	169.7	170.5	164.6	165.9	175.1
Fish	204.6	206.8	198.3	205.4	197.9	196.8	192.1	190.6	194.7	193.1	206.5	203.2	208.3	216.8
Dairy	146.4	146.9	142.9	141.7	142.4	144.8	146.4	146.8	146.7	148.3	148.5	148.6	148.9	149.6
Processed fruits and vegetables	154.6	145.2	148.3	157.7	162.7	165.6	170.0	171.1	170.1	171.2	170.9	169.5	170.8	171.0
Cereal and bakery products	171.2	167.1	166.0	168.9	169.3	169.7	176.2	179.7	181.9	182.3	183.6	181.9	179.1	176.2
Sugar and confectionary	258.9	215.8	240.7	246.7	270.4	297.9	315.3	419.8	401.4	358.2	347.3	303.0	280.1	239.6
Beverages	140.7	134.5	138.4	143.6	146.2	147.8	152.6	154.2	158.2	162.6	162.2	162.2	161.7	161.0

Retail Prices Index U.S. average (not seasonally adjusted)	1974									1975				
	Annual	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
1967=100														
Consumer price index	147.7	145.5	146.9	148.0	149.9	151.7	153.0	154.3	155.4	156.1	157.2	157.8	158.6	159.3
Consumer price index, less food	143.6	141.3	142.9	144.4	146.1	147.8	149.1	150.4	151.3	151.8	153.0	153.9	154.9	155.6
All food	161.7	159.7	160.3	160.5	162.8	165.0	166.1	167.8	169.7	170.9	171.6	171.3	171.2	171.8
Food away from home	159.4	157.1	158.6	160.4	161.9	163.1	164.7	166.2	167.6	169.0	170.5	171.3	172.2	172.8
Food at home	162.4	160.4	160.9	160.6	163.0	165.5	166.5	168.3	170.3	171.4	172.0	171.4	171.0	171.6
Meats	164.1	158.7	154.8	154.0	162.8	166.7	163.5	163.0	161.7	161.9	160.9	159.7	160.2	167.9
Beef and veal	168.5	165.8	163.9	161.0	169.0	172.9	166.8	163.7	160.1	158.5	156.6	153.3	154.6	166.4
Pork	161.0	148.8	141.2	145.9	158.8	164.8	164.0	166.8	167.1	170.0	169.6	170.5	170.0	175.6
Poultry	146.9	138.7	135.8	136.2	140.8	148.1	147.0	150.9	154.9	152.8	152.0	151.8	148.9	149.8
Fish	187.7	187.1	187.1	188.2	187.4	188.6	190.4	193.6	194.8	195.7	197.2	197.1	197.3	199.1
Eggs	160.8	133.2	128.4	127.8	146.0	162.2	172.2	162.2	172.6	172.6	172.1	153.5	158.2	144.6
Dairy products	151.9	154.6	153.8	151.6	150.7	151.1	151.7	152.7	155.3	155.2	155.6	155.4	154.8	153.6
Fats and oils	195.3	186.5	188.0	186.8	196.2	217.3	223.7	230.7	231.9	214.7	214.9	213.1	209.7	203.0
Fruits and vegetables	165.8	177.7	183.1	178.7	168.2	162.9	162.4	164.3	161.3	163.5	166.7	167.4	167.8	169.0
Fresh	162.6	181.8	190.3	182.9	162.9	152.7	151.6	154.7	149.6	153.6	159.2	159.9	160.9	164.7
Processed	170.6	171.6	172.3	172.6	176.0	178.2	178.4	178.7	178.7	178.3	177.9	178.7	178.2	175.4
Cereal and bakery products	166.1	164.3	165.3	166.7	168.2	170.4	174.7	177.6	181.7	185.3	187.3	189.1	188.9	187.0
Sugar and sweets	195.2	175.9	184.1	195.5	203.4	212.1	226.5	245.2	279.0	281.0	273.9	269.5	255.7	246.0
Beverages	155.6	149.3	153.8	158.1	163.8	166.5	169.2	170.2	172.7	175.3	177.0	177.8	178.0	175.3

Farm-retail price spreads	1974										1975			
	Annual	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Market basket:														
Retail cost (1967=100)	161.9	159.9	160.4	160.2	159.7	162.0	164.3	164.6	166.4	167.8	168.7	169.3	168.5	168.2
Farm value (1967=100)	177.6	174.8	166.6	165.7	172.7	180.4	178.5	182.3	182.2	178.3	173.5	173.5	171.4	175.5
Farm-retail spread (1967=100)	152.0	150.4	156.3	156.8	151.4	150.4	155.1	153.4	155.8	161.2	165.7	166.6	166.7	163.6
Farmer's share (%)	43	42	40	40	42	43	42	43	43	41	40	40	39	40
Beef, choice:														
Retail price ¹ (cts./lb.)	138.8	136.4	135.0	132.2	137.9	143.4	141.6	136.8	134.4	132.2	132.8	129.0	127.0	133.9
Carcass value ² (cts.)	97.4	95.0	95.5	90.2	103.4	106.6	96.2	93.4	89.8	87.5	88.8	84.7	86.3	101.2
Net farm value ³ (cts.)	86.1	84.2	83.2	77.7	90.9	97.7	85.2	82.0	78.7	77.1	76.6	73.2	75.7	89.9
Farm-retail spread (cts.)	52.7	52.2	51.8	54.5	47.0	45.7	56.4	54.8	55.7	55.1	56.2	55.8	51.3	44.0
Carcass-retail spread ⁴ (cts.)	41.4	41.4	39.5	42.0	34.5	36.8	45.4	43.4	44.6	44.7	44.0	44.3	40.7	32.7
Farm-carcass spread ⁵ (cts.)	11.3	10.8	12.3	12.5	12.5	8.9	11.0	11.4	11.1	10.4	12.2	11.5	10.6	11.3
Farmer's share (%)	62	62	62	59	66	68	60	60	59	58	58	57	60	67
Pork:														
Retail price ¹ (cts./lb.)	108.2	104.7	99.4	93.7	103.7	108.7	109.9	109.0	111.4	112.7	114.9	114.8	113.6	115.7
Carcass value ² (cts.)	77.4	70.5	64.5	64.1	77.0	78.5	77.2	81.4	83.6	85.6	84.2	86.0	86.8	88.3
Net farm value ³ (cts.)	60.8	52.1	44.5	47.0	62.2	64.7	61.6	66.1	65.2	68.5	67.1	68.9	68.8	71.0
Farm-retail spread (cts.)	47.4	52.6	54.9	46.7	41.5	44.0	48.3	42.9	46.2	44.2	47.8	45.9	44.8	44.7
Carcass-retail spread ⁴ (cts.)	30.8	34.2	34.9	29.6	26.7	30.2	32.7	27.6	27.8	27.1	30.7	28.8	26.8	27.4
Farm-carcass spread ⁵ (cts.)	16.6	18.4	20.0	17.1	14.8	13.8	15.6	15.3	18.4	17.2	17.1	17.1	18.0	17.3
Farmer's share (%)	56	50	45	50	60	60	56	61	59	61	58	60	61	61
Milk, fresh:														
Retail price (cts./1/2 gal.)	78.4	80.0	80.4	79.9	78.4	77.5	77.3	77.5	77.6	79.2	79.4	79.2	78.9	78.5
Farm value (cts.)	40.9	43.7	43.6	42.7	40.4	36.9	38.9	39.0	40.1	40.7	40.0	40.2	39.8	39.6
Farm-retail spread (cts.)	37.5	36.3	36.7	37.2	38.0	37.9	38.4	38.5	37.5	38.5	39.4	39.0	39.1	38.9
Farmer's share (%)	52	55	54	53	52	51	50	50	52	51	50	51	50	50
Chicken:														
Retail price (cts./lb.)	56.0	55.6	52.2	51.2	51.8	53.5	57.0	56.2	58.2	60.4	59.3	58.6	58.8	57.6
Farm value (cts.)	31.5	30.6	27.8	27.9	29.9	30.6	33.7	34.1	34.1	33.3	32.3	33.6	33.4	33.7
Farm-retail spread (cts.)	24.5	25.0	24.4	23.3	21.9	22.9	23.3	22.1	24.1	27.1	27.0	25.0	25.4	23.9
Farmer's share (%)	56	55	53	54	58	57	59	61	59	55	54	57	57	59
Eggs, large grade A														
Retail price (cts./lb.)	78.3	78.1	64.9	62.5	62.3	71.1	79.0	83.9	81.0	84.1	84.2	83.9	74.9	77.2
Farm value (cts.)	53.2	52.6	40.2	38.8	40.5	47.6	55.6	58.1	54.1	58.4	56.9	56.9	47.9	47.7
Farm-retail spread (cts.)	25.1	25.5	24.7	23.7	21.8	23.5	23.4	25.8	26.9	25.7	27.3	27.0	27.0	29.5
Farmer's share (%)	68	67	62	62	65	67	70	69	67	69	68	68	64	62
Bread, white:														
Retail price (cts./lb.)	34.5	34.3	34.3	34.7	34.8	34.6	34.8	35.6	35.8	36.4	37.2	37.4	37.3	36.8
Farm value, wheat (cts.)	5.4	4.7	4.2	4.5	5.1	4.8	5.3	5.7	5.9	5.5	4.9	4.8	4.4	4.4
Farm value, all ⁷ (cts.)	7.9	6.9	6.4	6.8	7.6	7.4	7.9	8.6	9.4	8.8	7.9	7.7	7.0	6.9
Farm-retail spread (cts.)	26.6	27.4	27.9	27.9	27.3	27.2	26.9	27.0	26.4	27.6	29.3	29.7	30.3	29.9
Farmer's share (%)	23	20	19	20	22	21	23	24	26	24	21	21	19	19
Apples:														
Retail price (cts./lb.)	34.3	33.4	34.4	37.0	39.7	39.0	36.4	31.1	31.2	30.7	31.4	31.6	31.3	32.4
Farm value (cts.)	11.8	11.2	11.6	14.5	13.3	11.6	12.8	11.9	11.1	10.6	10.2	10.3	11.8	11.4
Farm-retail spread (cts.)	22.5	22.2	22.8	22.5	26.4	27.4	23.6	19.2	20.1	20.1	21.2	21.3	19.5	21.0
Farmer's share (%)	34	34	34	39	34	30	35	38	36	35	32	33	38	35
Oranges:														
Retail price (cts./doz.)	111.4	102.2	109.7	111.7	110.8	116.9	116.7	119.2	118.6	110.9	106.3	108.4	109.0	108.3
Farm value (cts.)	25.9	22.0	24.3	25.6	25.1	30.2	29.6	29.7	26.1	22.1	21.5	24.4	23.7	22.3
Farm-retail spread (cts.)	85.5	80.2	85.4	86.1	85.7	86.7	87.1	89.5	92.5	88.8	84.8	84.0	85.3	86.0
Farmer's share (%)	23	22	22	23	23	26	25	25	22	20	20	23	22	21
Lettuces:														
Retail price (cts./head)	42.3	35.0	49.2	51.5	49.5	39.4	41.8	42.7	51.8	43.9	39.5	48.5	40.3	38.0
Farm value (cts.)	13.2	11.4	13.4	15.3	15.8	10.2	10.9	16.6	19.9	11.8	19.0	14.2	11.6	12.9
Farm-retail spread (cts.)	29.1	23.6	35.8	36.2	33.7	29.2	30.9	26.1	31.9	32.1	20.5	34.3	28.7	25.1
Farmer's share (%)	31	33	27	30	32	26	26	39	38	27	48	29	29	34
Onions:														
Retail price (cts./lb.)	20.8	21.4	19.5	20.6	20.2	21.7	20.6	19.7	18.2	17.0	16.2	15.4	17.1	20.6
Farm value (cts.)	6.7	5.2	5.2	5.3	6.1	7.6	7.0	5.8	5.0	4.5	4.2	4.1	8.7	10.7
Farm-retail spread (cts.)	14.1	16.2	14.3	15.3	14.1	14.1	13.6	13.9	13.2	12.5	12.0	11.3	8.4	9.9
Farmer's share (%)	32	24	27	26	30	35	34	29	27	26	26	27	51	52
Potatoes:														
Retail price (cts./10-lbs.)	166.4	197.4	239.1	234.5	201.9	151.7	123.3	120.1	121.2	118.4	112.7	111.1	104.2	100.3
Farm value (cts.)	59.4	82.9	84.5	67.9	61.1	51.7	42.9	40.5	40.8	35.9	34.6	33.0	30.6	33.9
Farm-retail spread (cts.)	107.0	114.5	154.6	166.6	140.8	100.0	80.4	79.6	80.4	82.5	78.1	78.1	73.6	66.4
Farmer's share (%)	36	42	35	29	30	34	35	34	34	30	31	30	29	34

¹ For a market basket of farm food and selected items. The market basket represents the average quantities of U.S. farm-originated foods purchased annually per household in 1960-61. Retail prices are from Bureau of Labor Statistics unless otherwise noted. The farm value is the payment to farmers for the quantity of farm product equivalent to retail unit, less allowance for byproduct. See table 13, May 1975 issue of the *Marketing and Transportation Situation* for farm product equivalents for individual items. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and

distributing these foods. Data are preliminary. ² Composite monthly average prices of all cuts adjusted for volume sold at special prices—derived from BLS and food chain prices. ³ For quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (1975 data, based on yield grade 3); pork, 1.07 lb. of wholesale cuts. ⁴ Payment to farmer for quantity of live animal equivalent to 1 retail pound less value of byproducts: Beef, 2.28 lb. and pork, 1.97 lb. ⁵ Includes not only gross margin for retailing but also charges made for other marketing services such as fabricating, wholesaling and in-city transportation. ⁶ Measures charges made for livestock marketing, processing, and transportation to city where consumed. ⁷ Includes wheat and other farm ingredients.

Livestock	1974		1975				
	Annual	May	Jan.	Feb.	Mar.	Apr.	May
Indicators:							
7-State cattle on feed report:							
Number on feed (thous. head)		8,351	6,369	6,050	5,463	5,577	5,589
Placed on feed (thous. head)	15,331	1,085	1,159	768	1,518	1,383	
Marketings (thous. head)	17,376	1,551	1,382	1,296	1,316	1,260	
Beef steer-corn price ratio, Omaha (\$/cwt)	13.7	15.7	11.6	12.2	12.9	14.8	17.3
Hog-corn price ratio, Omaha (\$/cwt)	11.3	10.2	12.6	14.1	14.3	14.1	16.4
Commercial slaughter (thous. head)							
Cattle	36,812	3,050	3,506	3,082	3,132	3,206	
Steers	19,680	1,775	1,707	1,569	1,610	1,584	
Heifers	8,798	720	852	777	777	785	
Cows	7,514	491	873	672	676	757	
Bulls and stags	820	64	74	64	69	80	
Calves	2,987	205	375	330	361	384	
Sheep and lambs	8,847	693	682	586	675	652	
Hogs	81,762	7,478	6,759	5,892	6,105	6,731	
Commercial production (mil. lb.)							
Beef	22,844	1,945	2,100	1,843	1,890	1,894	
Veal	442	29	59	50	56	60	
Lamb and mutton	454	37	35	31	35	34	
Pork	13,583	1,256	1,113	954	976	1,100	
Cattle and calf prices:							
Beef steers, slaughter, Omaha							
Choice (\$/cwt.)	41.82	40.04	36.27	34.80	36.08	43.01	49.60
All grades (\$/cwt.)	41.20	39.49	35.59	34.12	35.36	42.24	48.72
Cows, utility, Omaha (\$/cwt.)	25.56	27.67	16.82	18.18	19.45	21.67	23.55
Vealers, Choice, St. Paul (\$/cwt.)	49.63	55.16	36.88	40.25	38.90	46.84	40.56
Stocker and feeder steers,							
all weights and grades, Kansas City (\$/cwt.)	36.49	37.24	26.79	26.82	27.86	30.73	34.87
Hogs prices:							
Barrows and gilts, 7 markets (\$/cwt.)	35.12	26.09	38.93	39.61	39.52	40.69	46.44
Sows, 7 markets (\$/cwt.)	29.92	21.52	35.01	36.52	36.58	37.00	41.12
Sheep and lambs, prices, San Angelo:							
Slaughter, Choice (\$/cwt.)	40.41	47.15	38.25	39.31	46.50	46.65	47.62
Feeder, Choice (\$/cwt.)	35.96	42.00	34.12	35.31	37.38	43.65	43.00
Slaughter ewes, Good (\$/cwt.)	15.74	16.65	14.12	15.56	17.25	18.40	15.44
Meat:							
Wholesale, meat prices, Chicago, carlot:							
Steer beef, Choice, 600-700 lb. (\$/cwt.)	67.76	66.13	61.36	58.41	59.50	70.20	80.60
Helfer beef, Choice, 500-600 lb. (\$/cwt.)	66.51	64.71	60.63	57.63	58.48	68.66	78.92
Cow beef, Canner and Cutter (\$/cwt.)	53.48	58.71	36.97	39.62	41.84	44.07	46.44
Lamb carcass, Choice and Prime 45-55 lb. (\$/cwt.)	83.23	90.30	---	---	---	---	---
Fresh pork loins, 8-14 lb. (\$/cwt.)	73.60	65.04	79.25	76.53	74.79	78.63	92.49

Poultry and eggs	1974		1975				
	Annual	May	Jan.	Feb.	Mar.	Apr.	May
Eggs							
Farm production (mil.)	65,868	5,714	5,540	4,995	5,500	5,271	5,402
Average number of layers on farms (mil.)	286	285	284	282	279	275	272
Rate of lay per layer	23.1	20.1	19.5	17.7	19.7	19.2	19.9
Frozen egg production (mil. lb.)	359.8	39.1	24.1	20.2	18.9		
Dried egg production (mil. lb.)	72.1	7.8	4.6	3.2	3.0		
New York wholesale price, grade A large (cts./doz.)	58.2	42.7	62.2	55.4	59.2	50.2	49.3
Price paid for laying feed (\$/ton)	153	137	160	151	143	146	145
Egg-feed price ratio (lb.)	7.0	6.2	7.1	7.2	7.6	6.5	6.6
Stocks, first of month:							
Shell (thou. cases)		66	36	35	48	32	23
Frozen (mil. lb.)		43.6	54.2	53.8	51.8	47.0	43.6
Replacement chicks hatched (mil.)	473.4	52.1	35.0	37.3	46.0	48.1	48.4
Broilers							
Federally inspected slaughter, certified (mil. lb.)	7,916.8	745.0	646.2	570.2	616.6	688.3	
9-city wholesale price (cts./lb.)	38.2	35.6	41.6	41.4	40.7	40.1	42.9
Broiler-feed price (\$/ton)	167	151	176	167	161	164	161
Broiler-feed price ratio (lb.)	2.6	2.7	2.8	2.9	2.9	2.9	3.1
Stocks, first of month (mil.)		33.8	37.2	33.0	33.8	28.8	28.5
Average weekly placement of broiler chicks in 21 States (mil.)	2,941.9	62.7	54.5	56.9	59.3	60.2	59.9
Turkeys							
Federally inspected slaughter, certified (mil. lb.)	1,835.8	113.2	64.9	47.1	54.4	68.7	
New York wholesale price, 8-16 lb. young hens (cts./lb.)	47.2	39.7	51.6	46.9	47.3	48.3	51.6
Turkey feed price (\$/ton)	168	156	178	168	161	165	164
Turkey-feed price ratio (lb.)	3.2	3.2	3.6	3.7	3.8	3.5	3.8
Stocks, first of month (mil. lb.)		225.0	275.0	267.0	240.2	207.1	177.6
Dairy							
Milk:							
Production:							
Total milk, (mil. lb.)	115,416	10,841	9,301	8,775	10,023	10,121	10,789
Milk per cow, (lb.)	10,286	967	830	784	897	906	968
Number of milk cows, (thous.)	11,221	11,216	11,204	11,192	11,176	11,176	11,150
Prices:							
Minnesota-Wisconsin 3.5% fat, (\$/cwt.)	7.06	6.93	6.80	6.85	6.86	6.94	7.02
Ration price and price ratios:							
Dairy ration 16% protein, (\$/ton)	1.38	1.25	1.48	1.37	1.30	1.34	1.32
Milk-feed price ratio, (lb.)	1.33	1.45	1.25	1.33	1.38	1.36	1.36
Wholesale prices index: 1967=100	146.4	146.9	148.3	148.5	148.6	148.9	149.6
Stocks, end of period:							
Total, milk equivalent, (mil. lb.)	5,886	7,354	5,872	5,775	5,640	5,663	
Commercial (mil. lb.)	5,576	7,160	5,528	5,312	5,025	5,005	
Government (mil. lb.)	310	195	344	464	615	658	
Imports:							
Total milk equivalent (mil. lb.)	2,932	152	193	69	74	79	
USDA net removals:							
Total milk equivalent (mil. lb.)	1,345.5	191.2	263.7	450.1	424.8	394.2	568.2
Butter:							
Production (mil. lb.)	952.1	99.8	97.4	90.4	96.3	100.9	
Stocks, end of period (mil. lb.)	49.2	97.4	54.5	61.3	60.5	66.5	85.1
Price, wholesale, Grade A, Chicago (cts./lb.)	65.7	60.5	66.8	68.1	68.1	69.2	69.2
USDA net removals, (mil. lb.)	32.7	8.4	6.8	16.8	13.6	14.1	22.3
Commercial disappearance (mil. lb.)	920.3	75.9	88.5	72.3	90.1	85.6	
American cheese:							
Production (mil. lb.)	1,532.1	185.4	130.6	122.1	144.1	152.9	
Stocks, end of period (mil. lb.)	420.9	454.8	413.5	393.1	385.6	379.8	383.1
Price, wholesale, Wis. Assem. Pts., (cts./lb.)	79.9	77.9	74.8	76.9	77.4	78.8	80.6
USDA removals (mil. lb.)	60.3	.7	12.0	9.9	14.0	10.0	10.6
Commercial disappearance (mil. lb.)	1,754.0	149.1	127.7	133.2	139.4	147.8	
Nonfat dry milk:							
Production (mil. lb.)	1,005.3	121.2	83.5	81.6	95.9	111.5	
Stocks, end of period (mil. lb.)	293.2	148.0	310.2	316.3	335.4	328.8	
Price, wholesale, Avg. manf., (cts./lb.)	58.6	62.1	58.8	60.0	60.7	60.3	
USDA removals (mil. lb.)	265.1	9.4	38.8	46.1	53.8	71.8	74.5
Commercial disappearance (mil. lb.)	795.0	57.2	57.0	43.7	41.9	46.1	
Cottage cheese¹:							
Production (mil. lb.)	983.1	90.9	81.7	78.7	87.7	89.9	
Frozen desserts²:							
Production (mil. gal.)	1,128.3	447.0	79.3	160.7	257.2	354.5	

¹ Including lowfat cottage cheese. ² Ice cream, ice milk, and sherbet. * Less than 50,000 pounds.

Trade balance	Cumulative to date	July	August	September	October	November	December	January	February	March	April
Million dollars											
1974/75 fiscal year											
Agricultural exports	18,695.7	1,631.5	1,452.3	1,379.9	1,711.9	2,352.5	2,119.5	2,459.1	1,920.3	1,911.1	1,757.6
Nonagricultural exports	66,803.3	5,961.5	6,417.6	6,184.8	7,135.9	6,926.0	6,513.5	6,568.4	6,494.3	7,413.0	7,188.3
Total exports	85,499.0	7,593.0	7,869.9	7,564.7	8,847.8	9,278.5	8,633.0	9,027.5	8,414.6	9,324.1	8,945.9
Agricultural imports	8,062.6	897.9	854.1	751.1	740.9	837.3	965.6	810.9	693.9	749.0	761.9
Nonagricultural imports	78,266.7	8,016.5	8,217.4	7,623.2	8,385.7	8,065.3	8,242.2	9,035.3	6,470.2	6,763.7	7,447.2
Total imports	86,329.3	8,914.4	9,071.5	8,374.3	9,126.6	8,902.6	9,207.8	9,846.2	7,164.1	7,512.7	8,209.1
Agricultural trade balance	10,633.1	733.6	598.2	628.8	971.0	1,515.2	1,153.9	1,648.2	1,226.4	1,162.1	995.7
Nonagricultural trade balance	-11,463.4	-2,055.0	-1,799.8	-1,438.4	-1,249.8	-1,139.3	-1,728.7	-2,466.9	24.1	649.3	-258.9
Total trade balance	-830.3	-1,321.4	-1,201.6	-809.6	-278.8	375.9	-574.8	-818.7	1,250.5	1,811.4	736.8
1973/74 fiscal year											
Agricultural exports	17,791.7	1,223.7	1,478.1	1,449.2	1,734.4	2,085.6	1,973.3	1,833.9	1,909.8	2,092.6	2,011.1
Nonagricultural exports	50,505.1	4,091.7	4,235.6	4,492.9	4,935.0	4,959.3	4,908.2	4,951.9	5,332.9	6,319.4	6,278.2
Total exports	68,296.8	5,315.4	5,713.7	5,942.1	6,669.4	7,044.9	6,881.5	6,785.8	7,242.7	8,412.0	8,289.3
Agricultural imports	7,816.8	635.0	720.4	639.8	712.2	862.5	778.6	786.9	819.4	984.2	877.8
Nonagricultural imports	57,364.9	4,963.9	5,207.5	4,664.5	5,627.2	5,978.7	5,184.0	5,721.6	5,873.6	6,742.0	7,401.9
Total imports	65,181.7	5,598.9	5,927.9	5,304.3	6,339.4	6,841.2	5,962.6	6,508.5	6,693.0	7,726.2	8,279.7
Agricultural trade balance	+9,974.9	588.7	757.7	809.4	1,022.2	1,223.1	1,194.7	1,047.0	1,090.4	1,108.4	1,133.3
Nonagricultural trade balance	-6,859.8	-872.2	-971.9	-171.6	-692.2	-1,019.4	-275.8	-769.7	-540.7	-422.6	-1,123.7
Total trade balance	+3,115.1	-283.5	-214.2	637.8	330.0	203.7	918.9	277.3	549.7	685.8	9.6

Prices of principal U.S. agricultural trade products	1974							1975				
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Export commodities												
Wheat, f.o.b. Gulf ports \$/bushel	4.28	4.60	4.56	4.64	5.23	5.10	5.06	4.42	4.21	3.96	3.92	3.57
Corn, f.o.b. Gulf ports \$/bushel	2.96	3.36	3.70	3.59	3.85	3.66	3.78	3.31	3.18	3.13	3.10	2.94
Grain sorghum, f.o.b. Gulf ports \$/bushel	4.25	5.26	5.80	5.84	6.77	6.63	6.58	5.94	5.33	5.17	5.25	5.03
Soybeans, f.o.b. Gulf ports \$/bushel	5.63	7.02	8.05	7.85	8.56	7.74	7.59	6.70	5.94	5.89	6.06	5.50
Soybean oil, Decatur cents/lb.	31.60	40.50	43.30	40.70	42.30	40.40	38.00	33.60	29.40	29.10	28.20	23.60
Soybean meal, Decatur \$/ton	100.00	138.10	155.90	138.10	168.20	141.00	143.40	129.20	117.25	117.75	122.73	119.17
Cotton, 10 market average spot cents/lb.	55.20	55.30	50.36	47.65	44.59	39.96	36.91	36.10	36.44	37.81	40.43	41.73
Tobacco, ave. price of auction cents/lb.	88.00	86.10	98.20	107.20	103.80	103.50	106.50	103.70	106.00	106.30	106.30	106.10
Rice, f.o.b. mill, Houston \$/cwt.	32.60	31.50	22.50	21.00	20.90	22.40	21.75	22.50	22.40	22.25	22.25	22.25
Indeible tallow, Chicago cents/lb.	15.81	15.60	14.81	12.06	13.30	13.59	9.83	10.28	10.44	9.97	11.22	11.79
Import commodities												
Coffee, N.Y. spot cents/lb.	71.95	69.62	64.50	62.90	64.53	65.49	69.90	70.50	69.80	69.95	69.00	70.61
Sugar, N.Y. spot cents/lb.	26.30	28.35	32.60	33.71	38.83	57.30	46.74	40.15	36.07	28.52	26.07	19.27
Cow meat, f.o.b. port of entry cents/lb.	65.55	74.43	72.84	63.37	62.83	60.02	57.33	51.96	52.00	51.85	58.00	62.75
Rubber, N.Y. spot cents/lb.	40.4	35.4	34.7	31.8	31.2	27.0	30.6	20.9	30.0	29.30	29.00	29.50
Cocoa beans, N.Y. spot cents/lb.	103.3	106.7	107.7	106.4	115.1	104.2	85.4	86.1	87.2	81.50	72.90	61.20
Bananas, f.o.b. port of entry \$/40 lb. box	3.45	4.02	3.47	4.06	3.50	3.08	3.17	3.75	4.37	4.77	5.05	N.A.
Canned Danish hams, ex-warehouse N.Y. \$/lb.	1.13	1.11	1.17	1.30	1.44	1.53	1.50	1.49	1.54	1.58	1.62	1.63
Quantity Indices¹												
Export 1967=100	152	160	124	114	137	176	160	190	155	151	149	N.A.
Import 1967=100	114	114	106	95	91	100	112	127	112	118	120	N.A.
Unit Value Indices												
Export 1967=100	209	211	218	225	233	251	248	250	240	233	222	N.A.
Import 1967=100	189	199	209	216	227	231	240	263	236	234	226	N.A.

¹ Quantity and unit value indices are for March 1975.

N.A. Not available.

U.S. agricultural exports by selected commodities	July-April				April			
	Quantity		Value		Quantity		Value	
	1973/74	1974/75	1973/74	1974/75	1973/74	1974/75	1973/74	1974/75
	Thousands	Thousands	1,000 dollars	1,000 dollars	Thousands	Thousands	1,000 dollars	1,000 dollars
Animals, live, excluding poultry	---	---	194,071	110,482	---	---	11,628	11,741
Meat and preparations, excluding poultry (lbs.)	428,647	504,947	275,312	275,394	42,814	48,904	24,118	27,841
Dairy products, excluding eggs	---	---	52,153	91,729	---	---	6,533	20,896
Poultry and poultry products	---	---	121,071	108,582	---	---	11,991	13,433
Grains and preparations	---	---	8,752,745	9,489,452	---	---	872,532	881,241
Wheat and wheat flour (bu.)	1,021,539	879,357	4,128,359	4,268,229	58,869	78,719	310,849	369,427
Rice, milled (lb.)	2,948,001	4,062,840	631,953	825,346	403,687	463,845	104,955	86,601
Feed grains (m. tons)	36,371	29,957	3,790,653	4,204,200	3,674	2,982	438,206	407,487
Other	---	---	201,780	191,677	---	---	18,522	17,726
Fruits, nuts, and preparations	---	---	635,493	658,057	---	---	52,266	60,326
Vegetables and preparations	---	---	337,002	460,455	---	---	29,527	45,579
Sugar and preparations, including honey (lb.)	274,916	376,766	38,625	78,313	34,032	64,091	4,799	17,666
Coffee, tea, cocoa, spices, etc. (lb.)	66,314	59,831	56,420	57,911	5,790	6,129	6,125	5,432
Feeds and fodders	---	---	226,582	234,768	---	---	23,364	23,029
Protein meal (s. ton)	4,453	4,141	961,397	644,887	548	539	109,185	81,793
Beverages, excluding distilled alcoholic bev. (gal.)	3,232	4,076	6,250	8,243	443	548	921	1,063
Tobacco, unmanufactured (lb.)	563,962	561,641	663,632	795,893	55,257	47,818	65,356	71,715
Hides, skins, furskins	---	---	387,042	348,824	---	---	44,350	34,917
Oilseeds	---	---	2,952,144	2,922,401	---	---	421,828	255,160
Soybeans (bu.)	436,475	365,478	2,756,558	2,711,824	62,036	35,849	400,998	236,047
Wool, unmanufactured (lb., grease basis)	9,819	9,844	13,713	12,110	930	1,857	1,092	2,017
Cotton, unmanufactured (running bale)	4,959	3,253	1,041,126	845,485	680	385	165,812	88,821
Fats, oils, and greases (lb.)	2,110,592	2,310,584	391,419	427,509	266,136	222,457	57,960	33,733
Vegetable oils and waxes (lb.)	1,747,143	2,239,847	401,006	811,806	253,952	146,827	72,062	47,466
Rubber and allied gums (lb.)	36,412	32,356	12,411	17,251	4,382	4,140	1,576	2,150
Other	---	---	1,233,493	941,061	---	---	137,272	113,402
Total	---	---	17,791,710	18,695,724	---	---	2,011,112	1,757,628

U.S. agricultural imports by selected commodities	July-April				April			
	Quantity		Value		Quantity		Value	
	1973/74	1974/75	1973/74	1974/75	1974	1975	1974	1975
	Thousands	Thousands	1,000 dollars	1,000 dollars	Thousands	Thousands	1,000 dollars	1,000 dollars
Animals, live ex. poultry	---	---	187,885	80,462	---	---	11,824	8,191
Meat & preps., ex. poultry (lb.)	1,688,158	1,346,647	1,574,318	901,764	141,565	125,018	127,013	76,232
Dairy products, ex. eggs	---	---	412,007	185,428	---	---	27,653	12,267
Poultry & poultry products	---	---	24,085	18,443	---	---	2,259	1,960
Grains & preparations	---	---	98,510	149,146	---	---	9,937	11,258
Wheat & wheat flour (bu.)	319	825	1,678	4,807	191	5	1,123	26
Rice (lb.)	9,989	2,280	1,129	680	231	143	89	50
Feed grains (m. ton)	154	341	21,249	60,691	2	19	435	3,441
Other	---	---	74,454	82,968	---	---	8,290	7,741
Fruits, nuts, & preparations	---	---	300,869	305,000	---	---	34,078	34,815
Vegetables and preparations	---	---	322,886	308,192	---	---	44,578	40,155
Sugar & preps., inc. honey	---	---	1,045,902	2,320,052	---	---	153,646	221,611
Coffee, tea, cocoa, spices, etc. (lb.)	3,432,468	2,618,163	1,964,615	1,622,677	413,115	274,846	254,358	164,168
Feeds and fodders	---	---	43,358	39,146	---	---	4,222	3,996
Protein meal (s. ton)	22	6	2,034	711	2	0	241	14
Beverages, ex. distilled alcoholic bev. (gal.)	75,476	82,074	281,246	272,872	8,010	8,269	27,818	29,217
Tobacco, unmanufactured (lb.)	245,757	273,870	154,666	188,079	23,895	26,931	15,785	20,220
Hides, skins, furskins	---	---	123,620	116,514	---	---	13,759	14,209
Oilseeds	---	---	59,567	30,117	---	---	3,889	4,341
Soybeans (lb.)	372	311	149	158	78	20	21	11
Wool, unmanufactured (lb. grease basis)	40,685	24,969	48,950	26,119	3,479	2,779	4,100	2,184
Cotton, unmanufactured (running bale)	74	50	15,315	10,924	10	6	3,416	1,088
Fats, oils, and greases (lb.)	20,355	23,070	4,012	6,525	1,828	1,551	403	571
Vegetable oils and waxes (lb.)	1,071,786	1,392,720	267,093	520,102	105,565	103,993	37,317	35,746
Rubber and allied gums (lb.)	1,245,247	1,252,363	383,402	351,010	112,848	118,739	44,716	27,628
Other	---	---	504,564	610,033	---	---	57,076	52,015
Total	---	---	7,816,870	8,062,605	---	---	877,847	761,872

Export quantities	Fiscal year		July-April	July-April	April	April
	1972/73	1973/74	1973/74	1974/75	1974	1975
1,000 Metric tons						
Animal products:						
Fats, oils, and greases	1,152	1,183	957	1,048	121	101
Meats and meat products	245	230	194	229	19	22
Poultry meats, fr. or froz.	68	81	69	63	6	7
Grains:						
Wheat and products	32,397	31,267	27,985	24,152	1,626	2,168
Feed grains and products	35,805	44,284	36,721	30,256	3,707	3,008
Rice	1,941	1,584	1,337	1,843	183	210
Oilseeds and products:						
Soybeans	13,754	14,125	11,879	9,947	1,688	976
Protein meal	4,802	4,983	4,039	3,757	497	489
Vegetable oils and waxes	1,058	1,050	793	1,016	115	67
Other:						
Fruits and preparations ¹	1,217	1,367	1,104	1,190	105	151
Vegetables & preparations ²	1,061	1,021	807	940	71	114
Tobacco	268	313	256	255	25	22
Cotton	1,028	1,241	1,011	665	139	81
Feeds and fodders ³	1,397	1,415	1,115	1,127	102	86
Total	96,193	104,144	88,267	76,488	8,404	7,499
Million dollars						
Animal products:						
Fats, oils, and greases	237	506	391	428	58	34
Meats and meat products	307	317	275	275	24	28
Poultry meats, fr. or froz.	49	82	71	58	6	7
Grains:						
Wheat and products	2,387	4,739	4,166	4,312	317	374
Feed grains and products	2,346	4,696	3,825	4,248	442	411
Rice	437	752	632	825	105	87
Oilseeds and products:						
Soybeans	2,287	3,273	2,757	2,712	401	236
Protein meal	721	1,135	961	645	109	82
Vegetable oils and waxes	317	564	401	812	72	47
Other:						
Fruits and preparations ¹	457	589	407	435	32	45
Vegetables & preparations ²	296	407	231	330	19	33
Tobacco	640	814	664	796	65	72
Cotton	748	1,294	1,027	836	163	88
Feeds and fodders ³	217	280	144	143	14	13
Other agricultural products	1,456	1,875	1,840	1,749	184	201
Total	12,902	21,323	17,792	18,604	2,011	1,758
¹ Includes fresh fruits, canned fruits, and dried fruits. ² Includes fresh vegetables, canned vegetables, and pulses. ³ Includes prepared animal feeds, corn byproducts, and alfalfa meal and cubes.						

U.S. agricultural exports by regions ¹	Fiscal years		July-April		April		Change		
	1972/73	1973/74	1973/74	1974/75	1974	1975	fiscal year	July-April ²	April 1975
	Million dollars						Percent		
Western Europe	4,407	6,754	5,673	6,157	634	543	+53	+9	-14
Enlarged European Community	3,590	5,321	4,464	4,713	491	400	+48	+6	-18
Other Western Europe	817	1,433	1,209	1,444	143	143	+75	+19	- - -
Eastern Europe and USSR ³	1,350	1,195	1,032	860	82	117	-11	-17	+43
USSR	900	509	447	327	19	41	-43	-27	+116
Eastern Europe	450	686	585	533	63	76	+52	-9	+21
Asia	4,552	7,911	6,693	7,114	764	610	+74	+6	-20
West Asia	332	786	659	1,388	86	81	+137	+111	-6
South Asia	377	663	548	979	58	125	+76	+79	+116
Southeast Asia, excluding Japan and PRC	1,387	2,254	1,889	1,656	239	163	+63	-12	-32
Japan	2,258	3,356	2,845	2,795	323	221	+49	-2	-32
People's Republic of China	200	852	752	296	58	19	+326	-61	-67
Latin America	1,089	2,407	1,938	2,067	238	179	+121	+7	-25
Canada, excluding transshipments	824	1,195	972	1,075	107	130	+45	+11	+22
Canadian transshipments	272	751	583	382	74	62	-176	-34	-16
Africa	349	980	793	930	101	109	+181	+17	+8
North Africa	179	583	482	609	64	83	+226	+26	+30
Other Africa	170	397	310	322	37	26	+134	+4	-30
Oceania	58	128	107	110	12	6	+120	+3	-50
Total ⁴	12,901	21,320	17,792	18,696	2,011	1,758	+65	+5	-13

¹ Not adjusted for transshipments. ² Value change from 1973/74 to 1974/75 computed from unrounded data. ³ Includes Yugoslavia. ⁴ Totals may not add due to rounding.

General economic indicators	Seasonally adjusted at annual rates									
	1974	1973				1974				1975
		I	II	III	IV	I	II	III	IV	
Gross national product ¹ (\$bil.)	1,397.4	1,248.9	1,277.9	1,308.9	1,344.0	1,358.8	1,383.8	1,416.3	1,430.9	1,417.1
Personal consumption expenditures (\$bil.)	876.7	781.7	799.0	816.3	823.9	840.6	869.1	901.3	895.8	913.2
Durable goods (\$bil.)	127.5	132.4	132.1	132.4	124.3	123.9	129.5	136.1	120.7	124.9
Nondurable goods (\$bil.)	380.2	323.3	332.7	343.8	352.1	364.4	375.8	389.0	391.7	398.8
Gross private domestic investment (\$bil.)	209.4	199.0	205.1	209.0	224.5	210.5	211.8	205.8	209.4	163.1
Fixed investment (\$bil.)	195.2	189.0	194.4	197.1	195.5	193.6	198.3	197.1	191.6	182.2
Nonresidential (\$bil.)	149.2	130.5	135.6	139.0	141.9	145.2	149.4	150.9	151.2	146.9
Structures (\$bil.)	52.2	44.6	46.2	47.9	49.3	51.3	52.2	51.0	53.7	52.8
Producer's durable equipment (\$bil.)	97.1	85.9	89.4	91.1	92.6	93.9	97.2	99.9	97.5	94.2
Residential structures (\$bil.)	46.0	58.5	58.7	58.1	53.6	48.4	48.8	46.2	40.4	35.3
Nonfarm (\$bil.)	45.2	58.0	58.4	57.6	53.0	47.8	48.0	45.4	39.7	34.8
Changes in business inventories (\$bil.)	14.2	10.0	10.7	11.8	28.9	16.9	13.5	8.7	17.8	-19.2
Nonfarm (\$bil.)	11.9	6.5	7.7	7.4	24.0	13.1	10.4	6.6	17.5	-17.8
Net exports of goods and services (\$bil.)	2.1	-8	.5	6.7	9.3	11.3	-1.5	-3.1	1.9	9.3
Exports (\$bil.)	140.2	88.8	95.4	103.7	113.6	131.2	138.5	143.6	147.5	143.4
Imports (\$bil.)	138.1	89.5	94.9	96.9	104.3	119.9	140.0	146.7	145.7	134.1
Government purchases of goods and services (\$bil.)	309.2	269.0	273.3	276.9	286.4	296.3	304.4	312.3	323.8	331.6
Federal (\$bil.)	116.9	106.4	106.2	105.3	108.4	111.5	114.3	117.2	124.5	126.5
State and local (\$bil.)	192.3	162.6	167.1	171.6	177.9	184.8	190.1	195.1	199.3	205.1
Gross national product (1958 \$bil.)	821.2	832.8	837.4	840.8	845.7	830.5	827.1	823.1	804.0	780.2
Personal consumption expenditures (1958 \$bil.)	539.5	552.9	553.7	555.4	546.3	539.7	542.7	547.2	528.2	531.5
Durable goods (1958 \$bil.)	103.1	117.2	115.7	114.3	107.2	105.2	106.8	107.8	92.8	95.2
Nondurable goods (1958 \$bil.)	223.7	228.7	228.3	230.0	227.4	223.9	223.6	225.8	221.4	222.5
Gross private domestic investment (1958 \$bil.)	126.7	134.4	136.3	135.8	145.8	133.3	130.3	122.7	120.5	89.3
Fixed investment (1958 \$bil.)	118.0	127.1	128.4	127.7	125.8	122.7	122.2	117.7	109.6	101.0
Nonresidential (1958 \$bil.)	94.0	92.2	94.3	95.1	96.0	96.3	96.5	94.1	89.2	83.8
Structures (1958 \$bil.)	26.2	24.7	25.1	25.6	26.0	26.7	26.6	25.4	26.1	25.2
Producers' durable equipment (1958 \$bil.)	67.8	67.4	69.2	69.5	70.0	69.7	69.9	68.7	63.1	58.6
Residential structures (1958 \$bil.)	24.0	35.0	34.1	32.6	29.8	26.4	25.7	23.6	20.4	17.3
Nonfarm (1958 \$bil.)	23.6	34.7	33.9	32.4	29.5	26.0	25.3	23.1	20.1	17.0
Change in business inventories (1958 \$bil.)	8.7	7.3	7.8	8.0	20.0	10.6	8.2	5.0	10.9	-11
Nonfarm (1958 \$bil.)	7.4	5.4	6.3	6.2	17.9	8.7	6.4	3.9	10.7	-10.9
Net exports of goods and services (1958 \$bil.)	9.0	1.4	3.5	5.8	7.9	11.5	8.2	7.3	9.1	1
Exports (1958 \$bil.)	71.9	64.8	65.9	66.9	68.9	73.3	73.4	70.9	69.9	67.0
Imports (1958 \$bil.)	62.9	63.4	62.4	61.1	61.0	61.8	65.1	63.6	60.9	55.2
Government purchases of goods and services (1958 \$bil.)	146.0	144.1	143.9	143.7	145.7	146.0	145.8	145.9	146.3	147.7
Federal (1958 \$bil.)	56.5	58.9	57.7	56.2	56.4	56.3	56.3	56.5	57.0	57.4
State and local (1958 \$bil.)	89.5	85.2	86.2	87.5	89.3	89.7	89.4	89.4	89.3	90.2
Implicit price deflator for GNP (1958=100)	170.18	149.95	152.61	155.67	158.93	163.61	167.31	172.07	177.97	181.65
Disposable income (\$bil.)	979.7	869.5	892.1	913.9	939.4	950.6	966.5	993.1	1,008.8	1,015.5
Disposable income (1958 \$bil.)	602.8	615.5	618.2	621.8	622.9	610.3	603.5	602.9	594.8	591.0
	1974	1974		1975						
		May		Jan.	Feb.	Mar.		Apr.		May
Seasonally adjusted except as noted										
Industrial production, total ² (1967=100)	124.8	125.7		113.7	111.2	109.8		109.5		⁷ 109.2
Manufacturing (1967=100)	124.4	125.7		111.8	109.2	107.8		107.5		⁷ 107.3
Durable (1967=100)	120.7	122.1		108.2	104.8	103.0		102.7		⁷ 101.2
Nondurable (1967=100)	129.7	130.9		117.2	115.6	114.2		114.6		⁷ 116.0
Employment ³ (Mil. persons)	85.9	86.1		84.6	84.0	83.8		84.1		84.4
Unemployment rate ³	5.6	5.2		8.2	8.2	8.7		8.9		9.2
Personal income ⁴ (\$bil. annual rate)	1,150.5	1,135.2		1,191.1	1,193.4	1,195.7		1,202.6		⁷ 1,211.9
Consumer price index ⁵ + (1967=100)	147.7	145.5		156.1	157.2	157.8		158.6		159.3
Wholesale price index ⁵ + (1967=100)	160.1	155.0		171.8	171.3	170.4		172.1		173.2
Money stock (daily average) ⁶ (\$bil.)	*284.4	277.6		282.2	283.5	286.1		⁷ 287.1		
Time and saving deposits (daily average) ⁶ (\$bil.)	*419.4	392.5		426.0	428.9	430.0		⁷ 431.7		
Three-month Treasury bill rate ³ (%)	7.886	8.430		6.493	5.583	5.544		5.694		5.315
Aaa corporate bond yield (Moody's) ³ + (%)	8.57	8.37		8.83	8.62	8.67		8.95		8.90
Interest rate on new home mortgages ⁶ + (%)	8.92	8.74		9.33	9.12	9.06		⁷ 9.00		

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Department of Labor, Bureau of Labor Statistics. ⁴ Department of Commerce.

⁵ Moody's Investor Service. ⁶ Federal Home Loan Bank Board. ⁷ Preliminary.

REPORTS TO NOTE

USDA's Economic Research Service issues a number of situation reports besides Agricultural Outlook that keep up with the current supplies, prices, and outlook for 11 farm commodity groups and review developments in farm finance, farm real estate, fertilizers, food marketing and retailing. Single copies of these reports are available free on request. Each report also has a mailing list to which your name may be added. Send requests to: Publications Unit, ERS Information Division, U.S. Dept. of Agriculture, Washington, D.C. 20250

Cotton and Wool Situation, Dairy Situation, Fats and Oils Situation, Feed Situation, Fruit Situation, Livestock and Meat Situation, Poultry and Egg Situation, Rice Situation, Tobacco Situation, Vegetable Situation, Wheat Situation. These commodity reports analyze supply and demand, price, and outlook for major farm commodities. They include tables and charts presenting current data on production, market movement, stocks, consumption, prices, and foreign trade. Relevant special studies are frequently included.

Agricultural Finance Outlook, Annual, issued in December. It reviews the financial condition of farm operators by regions, and presents forecasts of loans, incomes, and other financial measures for the next year.

Farm Real Estate Market Developments, annual in mid-summer, with one supplement in mid-winter and a second, as needed, in mid-spring. Summarizes trends in farmland values, volume of sales, financing of farm purchases, and factors affecting the land market. Each issue includes index numbers of estimated average value per acre by State.

Fertilizer Situation, published at the end of each year. Looks at estimated capacity to produce basic fertilizer materials in the coming year. Also looks at potential fertilizer demand in the year ahead, and analyzes U.S. fertilizer use in the year just concluding. Foreign trade in fertilizer and basic fertilizer materials is reviewed, economic aspects of foreign trade are analyzed, and historical economic and fertilizer use statistics are shown. Special reports about production, consumption, and distribution of fertilizer are prepared for each issue.

Marketing and Transportation Situation, quarterly. Contains analysis and statistics on the retail cost of market basket of farm foods, returns received by farmers for these products, and the spread between these returns and the retail cost. The marketing bill for farm food products and related statistics and data on costs of goods and services used by marketing firms are also published once a year. Each issue includes special articles on marketing and transportation.

Price Spreads for Farm Foods is a monthly release containing statistics on farm to retail price spreads for a market basket of farm foods and selected individual foods such as beef and pork.

National Food Situation, quarterly. Details per capita consumption of major foods, nutrients available for civilian consumption, indexes of the annual supply and use of farm food commodities, retail food price indexes, the Consumer Price Index, total food expenditures, and the percentage of income spent for food. It includes the outlook for food expenditures, retail prices, and consumption. Some issues carry special analyses of various aspects of food consumption and prices.

World Agricultural Situation, appears three times a year—early summer, fall, and winter. Appraises world agriculture for the current year. Regional Situation reports and data books are issued during March-May for these regions: Western Hemisphere, Western Europe, Communist Areas, Far East and Oceania, and Africa and West Asia. Each report gives data by country on agricultural output, use, trade, trends, and significant policy developments, with special topics as appropriate.

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